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# BUSINESS DAILY

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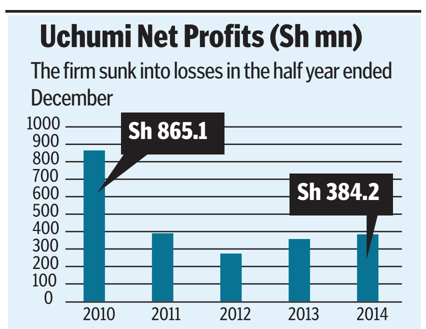
# Uchumi kicks sub-tenant retailers out of its stores

## Supermarket chain says shift of strategy is behind eviction of the small traders




**BY SIMON CIURI AND VICTOR JUMA**

Loss-making retailer Uchumi Supermarkets has asked operators of specialty shops within its outlets to vacate by mid next month, putting at risk more than 100 medium-sized businesses which rely on the relatively high traffic associated with its brand to make sales.

In letters dispatched to all sub-tenants last week, Uchumi said the notice to vacate had been prompted by a change in its business strategy whose details it did not disclose.

"We are terminating your contract due to a change in business strategy," the retail chain's acting chief ex-

**UCHUMI, Page 4»**

**"We are terminating your contract due to a change in business strategy,"**

OWINO AYODO
UCHUMI'S ACTING CHIEF EXECUTIVE IN A LETTER TO THE RETAILERS DATED AUGUST 4.

# Court allows teachers to skip AoN private medical scheme

**BY SANDRA CHAO-BLASTO**

Kenya's 35,000 post-primary school teachers yesterday won a reprieve after the Industrial Court ordered their employer not to force them to join a Sh5.9 billion annual medical cover.

Lady Justice Monica Mbaru said a directive by the Teachers Service Commission (TSC) compelling members of the Kenya Union of Post-Primary Education Teachers (Kuppet) to join the AoN Minet medical scheme had no grounding in law.

"An order is hereby issued prohibiting the respondents from requiring the membership of the petitioner to join, be party to, be members of, participate in or contribute to a medical scheme procured from Aon Minet without their consent or approval," the judge said.

**Omboko Milemba, Kuppet national chairman.** FILE

Justice Mbaru found that the teachers' employer had violated the rights of Kuppet members by ordering that they withdraw their medical allowances and instead contribute to a scheme that had been procured.

"The directive to the petitioner's members to join, be party to, be members of, participate

**KUPPET, Page 4»**

## FACING THE FACTS

**NAIROBI** **Foreign Affairs secretary Amina Mohamed at a Press briefing yesterday where she fielded questions on President Uhuru Kenyatta's recent visit to Uganda. She denied claims that an agreement to allow sugar imports had been signed in Kampala.** EVANS HABIL

## BRIEFING

### Kenyan firms get nod to import industrial sugar

East African ministers have licensed 17 more Kenyan firms to import 117,500 tonnes of industrial sugar under preferential terms over the next one year amid rising demand for beverage and confectionery. **Page 5»**

### CFC Stanbic profit dips 42pc on S Sudan political unrest

The economic impact of South Sudan's political unrest on Kenyan firms is hitting home with CfC Stanbic Group reporting a 42 per cent slump in half-year net earnings to Sh1.96 billion, attributed to falling revenue from its branches in the volatile country. **Page 7»**

### Devalued yuan threatens industries, good for imports

China's surprise move to devalue the yuan this week is a double-edged sword likely to hurt local manufacturers though reducing the cost of consumables. **Page 19»**

### NEWS INDEPTH

**Systematic dismantling of war economies is the best way to ensure lasting peace in Africa**

**Pages 12 -13 »**

TOP NEWS

# Kenya Power in 70MW energy deal with Obama initiative-funded firm

**PACT** Distributor will buy electricity from the company at Sh9.3 per unit

**BY NEVILLE OTUKI**

Kenya Power has signed a 70-megawatt power purchase agreement (PPA) with a company that is partly funded by US President Barack Obama's Power Africa initiative, boosting the country's goal of adding 5,000MW to the installed capacity in the next two years.

Under a 25-year PPA, Kenya Power will buy electricity from Akiira Geothermal Ltd at Sh9.3 per unit (9.23 US cents), which is about half the current cost of thermal power.

The project is based in Akiira Valley, adjacent to Olkaria in Naivasha, and is partly owned by investment firm Centum.

"The 70 megawatts are expected to be added to the grid by December 2016 in line with our energy targets," Kenya Power managing director Ben Chumo told a Press briefing yesterday.

The Akiira geothermal project received a $1 million (Sh101 million) grant last October from the US-based Overseas Private Investment Corporation (OPIC) to meet technical and legal expenses as part of President Obama's policy initiative to light up the continent.

Akiira chief executive Robert Bunyi said that exploration and drilling of steam wells was ongoing.

Kenya is racing to cut reliance on expensive power from diesel-run generators with cheaper, renewable energy sources (hydro and geothermal) currently accounting for over 85 per cent of the energy mix.

The Uhuru administration in 2013 set a target of injecting an additional 5,000MW to the grid by 2017.

Currently, the country has an installed capacity of 2,298MW compared to 1,708MW two years ago.

Kenya Power yesterday also signed a PPA with Kleen Energy, owned by local investors from Embu, to generate six megawatts of power by August next year at a feed-in-tariff of Sh9.2 per unit (9.20 US cents).

The electricity distributor's PPA requires a firm to construct, own, operate and maintain the project, with Kenya Power acting as the buyer of the power generated. Centum owns a 37.5 per cent equity stake in Akiira, with the remaining 62.5 per cent owned by American firms — Ram Energy and Marine Power — and Danish Frontier Markets.

**From left: Kenya Power MD Ben Chumo, Akiira Geothermal Ltd directors David Simbiki and Lars Tejlgard Jensen during the signing of a power purchase agreement at the Stanley Hotel in Nairobi yesterday.** SALATON NJAU

### Expensive thermal generators

The Centum consortium is expected to contribute Sh9 billion or 30 per cent of the project's cost of $300 million (Sh30.1 billion) while the rest will be funded through a commercial loan.

The geothermal power plant last week secured a risk cover from German re-insurer, Munich Re, to compensate investors in case the eight geothermal wells being drilled in the Olkaria belt do not produce enough power.

The actual construction of the power plant at Olkaria is contracted out to Ram Energy and Marine Power. Akiira also plans to add another 70MW plant by December 2018, bringing the total geothermal power it will add to the national grid to 140MW in the next three years. At Sh9.3 per unit, Akiira's geothermal electricity cost is slightly higher than what Kenya Electricity Generating Company (KenGen) sells to Kenya Power.

KenGen sells its geothermal energy at Sh7 per unit ($0.07) and hydropower at Sh3 per unit ($0.03) — the cheapest source.

Thermal generators are the most expensive at Sh19.2 per unit ($0.19).

Centum is also involved in the construction of the Lamu coal plant which is expected to produce 960MW.

Overall, State-backed Kenya Power has inked 45 PPAs with power generators out of which 25 are operational while 20 are being implemented.

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**President Uhuru Kenyatta leaves KICC, Nairobi, yesterday after closing the Eastern Africa Region Pan African Congress forum.** BILLY MUTAI

# Uhuru hits back at Opposition over Uganda trade pacts

**BY NEVILLE OTUKI**

President Uhuru Kenyatta has hit back at the Opposition for criticising his administration's sugar and meat trade deals with Uganda, claiming that the opening of the local market to cheaper imports from the country is more cost-effective than sourcing it from overseas markets such as Brazil.

The Head of State was responding to the opposition's claims that the trade deal would open floodgates of cheaper sugar through the two countries' common border and kill struggling local millers.

Mr Kenyatta said the decision to relax import rules on Ugandan sugar fits within the rallying call for increased intra-Africa trade by removing non-tariff barriers.

"The free movement of African people, and their goods, uninhibited throughout the continent will open new horizons for investment and entrepreneurship," Mr Kenyatta said yesterday while closing the Eastern Africa Regional Pan-African Congress meeting in Nairobi.

"Tanzanians should be able to easily buy Togolese fabric, Nigerians to enjoy Kenyan milk products, and Ivorians to enjoy Ugandan matoke," he said.

Traders say sugar from Uganda, which has surplus production, is on average Sh30 cheaper per kilo than Kenya's.

Mr Kenyatta last weekend signed trade deals with his Ugandan counterpart Yoweri Museveni, during his visit to Kampala, allowing cheaper Ugandan sugar into Kenya to plug shortfalls.

The Opposition, led by Cord leader Raila Odinga, protested saying the imports would flood the market and kill local millers. The deals also cleared the way for Kenyan traders to export beef and related products to Uganda under similar terms.

Mr Kenyatta said that it was also in the spirit of Pan-Africanism to buy sugar from neighbouring Uganda with which Kenya as opposed to overseas markets.

He said that the deals would boost bilateral trade with Uganda which is the largest destination market for Kenyan goods.

Uganda bought Sh60.7 billion worth of goods from Kenya last year compared to Sh17.5 billion it exported to Kenya, according to official data.

Kenya has had a near diplomatic stand-off with Kampala over sugar import controls placed on Ugandan traders.



## Weekly Weather Forecast

| East Africa | Monday | Tuesday | Wednesday | Thursday | Friday |
|---|---|---|---|---|---|
| Nairobi | Hi: 25°C Lo: 14°C | Hi: 21°C Lo: 13°C | Hi: 22°C Lo: 14°C | Hi: 23°C Lo: 13°C | Hi: 22°C Lo: 13°C |
| Kampala | Hi: 26°C Lo: 15°C | Hi: 25°C Lo: 12°C | Hi: 25°C Lo: 12°C | Hi: 26°C Lo: 14°C | Hi: 26°C Lo: 13°C |
| Dar-es-Salaam | Hi: 30°C Lo: 19°C | Hi: 28°C Lo: 22°C | Hi: 28°C Lo: 22°C | Hi: 29°C Lo: 22°C | Hi: 29°C Lo: 23°C |
| Kigali | Hi: 25°C Lo: 16°C | Hi: 27°C Lo: 12°C | Hi: 27°C Lo: 13°C | Hi: 27°C Lo: 14°C | Hi: 27°C Lo: 14°C |
| Bujumbura | Hi: 30°C Lo: 17°C | Hi: 31°C Lo: 15°C | Hi: 31°C Lo: 14°C | Hi: 31°C Lo: 14°C | Hi: 30°C Lo: 15°C |

## Index to companies

This index of businesses mentioned in today's issue of the Business Daily is intended to include all significant references to companies.

RADAR SCREEN ■ JACKSON BIKO

**CROWDFUNDING** Response to medical appeal for student with brain tumour shows Kenyans can support a good cause

# How my Jadudi blog helped raise Sh6.4 million in under 48 hours

**Mr Emmanuel Otieno aka Jadudi in Nairobi yesterday.** SALATON NJAU

Two weeks ago I had never heard of the phrase "crowd funding." I didn't know its mechanism. I was going through my life as a writer, chasing deadlines, sitting down with interesting (and some not so interesting) interviewees, drinking my whisky over the weekend and keeping my head low, as only writers do. I hadn't raised one red cent in my life before.

I don't even tweet often, for Chrissake — I find tweeting so laborious and consuming, especially after I have banged an average of 9,000 words in a week.

So when people ask me, "how did you help raise Sh6.4 million for a boy battling cancer in under 48 hours?" I don't know what to say because they expect a formula, a methodology. I have none. I just told the touching story of a boy battling cancer and someone shared it to many people on Twitter and God did the rest. Actually, God did everything.

It still feels surreal how it all unfolded. Five hours after I posted the story of Emmanuel Otieno, known as Jadudi, on my blog (*bikozulu*) Kenyans had contributed Sh1 million towards his brain surgery scheduled in India.

The next day, by 4pm, only 46 hours in, there was a cool Sh6.1 million in the account. The final amount is now standing at a little of Sh6.4 million. I can't tell you what happened on social media for this to happen, I can only speak about my role as the one who wrote the story.

There are stories that tell themselves, this was one of them. A 22-year-old university student from a humble background who has undergone three brain surgeries, who still has a lot of fight in him and seeks financial help to go under the knife for the fourth time. Who wouldn't be drawn to a story like that? Would it have been different if he were going for his first and not fourth surgery? Possibly.

> "Before I sat down to write this story one thing was clear; people needed to feel connected to this boy and his tribulations in order to empathise with his plight
>
> JACKSON BIKO

Would it have been different if he was 34-years-old and a father of one? Who knows? Of course his humble background coupled with his condition helped. Everyone roots for the underdog. If he were from a wealthy family he would probably be in the private wing of a hospital in Switzerland, eating waffles as he awaits a knot of surgeons to open his head up. Rich people generally make for tiring profiles, unless they are stories of them talking about the secret of their wealth, or tumbling from grace to grass because we — humans — love to dance on the graves of those who fail.

I love stories that seduce my emotions. Stories that you write in your heart before they come alive on paper. Before I sat down to write this story one thing was clear; people needed to feel connected to this boy and his tribulations in order to empathise with his plight.

They needed to walk a mile in his shoes, to use an embarrassing cliche. The story had to come alive, it had to come with smells. And so we had numerous phone conversations, from which I took small details of his history: How did all this start, the headaches? How did you find out? Which day was it? What specifics of that day can you recall? How was the weather like? Describe the radiologist.

What were you wearing? Describe that exact feeling when you found out about the tumour in your brain. Did you cry? What went through your mind that night? Can you remember the shirt you were wearing during the radiology? How did your mom sound when she heard? Are you scared? How does it feel to have a tumour in your head? Do you actually feel it? What is your dream in life? When are you at your lowest battling with cancer? Do you have regrets?

We would talk for 10 minutes then we hang up because it would sap his energy and emotions then I would call again and ask him all these questions as I took notes on my notepad. The devil is in the detail.

This line of questioning for small details basically made me get immersed in the story, offered that three-dimension and gave it texture. Texture offers traction. Readers needed to feel the coarseness of his story.

Nobody ever gave anyone money if they didn't trust them. They trusted Jadudi and I want to believe they trusted me. My job ideally ended when I posted that story. If nobody connected to it I would have failed Jadudi. I would have misrepresented his struggle and plea.

After the roaring success of this funds drive many people called and SMSed and told me how kind I was, how blessed I am. One even called me an "angel." I cringed. I was flattered of course, but deep down I knew it wasn't all me.

You know when the ball hits the left calf of a footballer and then bounces off the opponent and into the net and technically that makes it your goal but you know it isn't? That's how I feel about this whole Jadudi thing.

I know it's a higher power at work here. I know it's a much bigger hand at play; that I was used as a vessel, as a pawn, to answer the persistent prayers of a desperate family at the end of their tether. A family that only wanted to save their sick son. I'm no angel, I was a means to an end. And that realisation both scares and humbles me.

I first met Jadudi last Saturday after he flew down from Kisumu. I prayed that the meeting wouldn't involve tears (mine). He landed at midday and had a frenzy of media interviews and pressers. I kept away because crowds overwhelm me; I choke when I find myself in a group of people.

Then of course I avoid attention and cameras and media guys sticking things in your mouth and asking, "So how do you feel knowing that you have helped this boy?" And I want to say sarcastically, "Oh I feel that I deserve 40 virgins. Wouldn't you?"

I sneaked into his hotel at 11.30pm in the night, after all the media and well-wishers had long cleared out of the hotel. He was staying at The Sarova Panafric who had generously offered to house him and his parents on a full complimentary until they jet out to India this weekend.

I took the lift to the fourth floor. He opened the door wearing a white bathrobe, hotel slip-ons and tracksuit pants underneath. He had a stubble. His right hand, now immobile, hang lifeless by his side. He shuffled, dragging his feet on the floor but his eyes, my God, his eyes, sparkled with life.

He smiled broadly and we embraced like brothers reconnecting after many years. "I don't know how to thank you!" he said and I stammered and I said, "Oh come on, don't say that, you will make me cry." And he laughed. He talked about his love for philosophy and what he called "World Music" while I nodded encouragingly and ate all the strawberries and olives from his fruit basket.

People ask me, how does it feel to do this for him? It feels divine. I feel that I was chosen amongst many to fulfil their prayers. I feel humbled. I feel proud to be a human being and to be a Kenyan who showed that they can come together for a common good. I feel purposeful. I feel that writing a blog for many years for a pittance has suddenly impacted hugely on someone's life. Life made sense last week, albeit briefly.

My seven-year-old daughter asked me, "Papa, why are they saying your name on TV as a blogger, what is a blogger?" I told her it's someone who writes. "Remember how I told you that I'm a writer, I'm also a blogger." Then she asked me, if I have a boss. She's always asking people if they have a boss. I do actually have a boss, the audience is the boss. They proved it when they came through for Jadudi.

**Mr Biko**, *a Business Daily writer, highlighted Emmanuel Otieno aka Jadudi's battle with cancer on his personal blog, bikozulu*

# Uchumi set to kick out sub-tenants in new business plan


The Uchumi Supermarket Aga Khan Walk branch in Nairobi's central business district. FILE

»From Page 1

ecutive Owino Ayodo said in a letter to the retailers dated August 4. "Kindly note that your last day of operation will be on September 15, 2015."

The retailer said the letter would serve as the 30-day notice specified in the contract with the businesses whose models are built on the store-within-a-store concept.

People familiar with the matter told the Business Daily that Uchumi plans to bring in international brands to replace the current tenants who sell a wide variety of merchandise including clothes, electronics and food.

The move comes barely a month after the retail announced kicked out its former chief executive Jonathan Ciano and called forensic auditors to review its operations.

Besides cutting their revenues, the decision is expected to leave the operators of specialty shops with millions of shillings tied in inventory whose movement they won't be able to determine.

Those relying on bank financing face a further squeeze as loan repayments fall due at a time when their businesses will have been discontinued.

Uchumi has 127 specialty shops in its outlets that employ 2,000 people and most of the sub-tenants are also shareholders in the retail chain.

The specialty shop owners pay Uchumi a commission in the form of a percentage of sales, with the businesses benefiting from the relatively higher traffic associated with leading retail chains. The sub-retailers yesterday held talks with Uchumi to have the eviction notice reversed, arguing that the "short notice" exposed them to huge losses.

> A one-month notice is unfair. We would rather have the contracts expire without renewals at the end
>
> UCHUMI SPECIALTY SHOP OWNER

"We have been operating on two-year contracts that have been renewed regularly. So we have been panning around this," said one of the business owners, who did not want to be named fearing reprisals from the Nairobi Securities Exchange-listed firm.

"A one-month notice is unfair. We would rather have the contracts expire without renewals at the end."

The operators said they wanted to understand Uchumi's new business strategy and see whether they could fit into it. Some of the operators promised to defend their contracts with Uchumi vigorously, including going to court for orders stopping their eviction.

Mr Ayodo did not elaborate on Uchumi's new strategy but insisted that the retail chain had taken a different route for use of floor space to make it more productive, adding that the specialty partners were not on lease and that the 30-day notice was in line with the arrangements.

Uchumi's letter indicates that the company is overhauling its model and the decision to part ways with the specialty shops was not due to their shortcomings.

"The repositioning of Uchumi has affected many aspects of the organisation and in some cases change of policy," the letter says.

"Although we have been pleased with the services and product quality your company provides, this change makes it necessary for us to rebrand our supermarket chain to achieve maximum customer satisfaction and preference."

The letter's wording appears to confirm one of the specialty shop owners' view that Uchumi is intent on upgrading its shops and product offerings to appeal to the high end of the retail market currently dominated by Nakumatt Holdings.

Nakumatt has in the recent past signed franchise deals with some leading international brands, including Revlon (cosmetics) and Clarks (footwear), deepening its appeal among the rich and middle class shoppers.

Uchumi's stock-outs last year have also not helped matters, having eroded the goodwill of customers looking for basic items like groceries and soft drinks.

The retail chain was hit by the acute shortages a few months after it raised Sh896 million from shareholders in a rights issue and more than Sh1 billion in loans from local banks.

Uchumi has failed to return to its former glory since it got relisted on the NSE in June 2011 after a five-year suspension, following gross mismanagement that saw it close shop in June 2006.

Uchumi has been struggling to pay suppliers since late last year and the board said it was selling non-core assets like land to raise Sh2 billion it needs to pay suppliers.

To find its position in the market the board said it would hire a management consultant to write a new blueprint for the 38-year-old firm, which is yet to hire a substantive CEO to replace Mr Ciano who left in June.

Mr Ciano was forced out over what the board termed as gross misconduct and gross negligence that saw the retailer sink into losses driven by a credit-fuelled expansion spree.

Uchumi made a pre-tax loss of Sh262.3 million in the half year ended December compared to a pre-tax profit of Sh106.9 million a year earlier after sales fell to Sh6.8 billion from Sh7.2 billion during the same period.

The retail chain, which has been accused of cooking books, obfuscated its net loss/profit figures by leaving them out of its financial statements.

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# Court allows Kuppet members to skip AoN medical scheme

»From Page1

in or contribute to the medical scheme from AoN Minet is hereby quashed," she ruled

TSC lawyers, who arrived after the judgment was issued, had wanted Justice Mbaru to issue a directive on implementation of the orders. But she declined saying she had already given her verdict in their absence. The lawyers said they would appeal the decision

TSC had contracted AoN Minet in May to manage the comprehensive medical scheme for the more than 288,000 teachers.

This was after the teachers maintained that a medical cover was one of the key requirements in the union's Collective Bargaining Agreement. Under the medical scheme, the highest paid teacher was to benefit from a Sh1 million in-patient cover, while the lowest paid was entitled to a Sh300,000 cover.

Teachers were to give up their monthly medical allowances of between Sh767 and Sh4,412 which would instead be remitted to the insurer.

But in June, Kuppet members took their employer to court over being compelled to contribute to the scheme, saying that from the onset they had not been involved in the procurement process that culminated to the selection of the medical insurer.

The High Court stopped TSC from receiving contributions for the medical insurance scheme from Kuppet members that was to begin on July 1.

The post-primary school teachers argued in court that the scheme was a duplication of what its members were set to benefit from the National Hospital Insurance Fund, which had already effected its new rates.

The teachers' employers, however, argued that both Kuppet and the Kenya National Union of Teachers (Knut) had approved the structure of the scheme

Knut has been in support of the medical scheme but last week its officials wrote to TSC asking to stop any further contributions to the medical scheme.

Knut Secretary-General Wilson Sossion also asked the TSC chief executive Nancy Macharia to refund all the deductions that had been made towards the scheme. Knut, which had earlier signed a contract for the AoN Minet scheme, said its decision to back out of the deal followed extensive consultation among its members.

This is the second time the teacher's employer has lost a major battle with employees at the Industrial Court in as many months. Last month, the government was left with a Sh50 billion budget hole after teachers were awarded a 60 per cent pay increase payable over a four-year period.

The government had been given until July 30 to pay teachers Sh37 billion in backdated salary arrears.

The award by Justice Nduma Nderi saw TSC appeal the decision at the Court of Appeal, arguing that the government does not have the money to honour the pay raise and that its officials were in danger of being arrested for contempt of court if they failed to implement the award.

Court of Appeal judges Mohammed Warsame, Sankale ole Kantai and Jamila Mohammed orderd the government to increase teachers' pay by between 50 per cent and 60 per cent starting end of this month, scrapping the July 30 deadline. The pay increment means a P1 teacher in Job Group G, the lowest paid category, will take home Sh26,707 up from Sh16,692 beginning next month.

The 280,000 teachers currently account for 38 per cent of Kenya's Sh418 billion public wage bill and the judgement of the Court of Appeal requires the government to find Sh14 billion within one month to cater for the increment.

TSC has now taken their argument to the Supreme Court where the judges are today expected to hear teachers and their employer in a bid to conclusively settle the salaries dispute.

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# Kenyan firms get the nod to import industrial sugar

**REGULATION** Licences issued to 17 firms for 117,500 tonnes

**BY ALLAN ODHIAMBO**

East African ministers have licensed 17 more Kenyan firms to import 117,500 tonnes of industrial sugar under preferential terms over the next one year amid rising demand for beverage and confectionery.

The region's council of ministers chairperson Harrison Mwakyembe said the firms will import the sugar at preferential duty rate of 10 per cent under the East Africa Community (EAC) duty remission scheme.

The latest round of licences come just months after four other Kenyan firms were in April granted permission to import 30,500 tonnes of industrial sugar under preferential terms over a one year period.

The biggest beneficiaries of the EAC ministers' latest gesture are Kenafric Industrafies, Nairobi Bottlers and Kenya Breweries who have been allowed to ship in 29,000, 26,000 and 20,000 tonnes of industrial sugar respectively. Industrial sugar is an essential input for production of various products and is not produced by local sugar manufacturers within the bloc. Under the EAC's common external tarrif(CET) regime, raw materials imported into the region attract no duty. Semi-finished goods attract 10 per cent duty while finished goods are charged 25 per cent duty.

**Imported industrial sugar is loaded on a truck for transportation.** FILE

The duty remissions scheme allows manufacturers of commodities deemed essential for the EAC economies such as sugar, to import inputs without paying the applicable tariff rate of 25 per cent. Tanzania and Rwanda table sugar exports to the region are currently attracting full duty after they were allowed to import from outside the bloc at a lower rate to cover for production shortfalls.

The EAC council of ministers in June permitted Tanzania to import 100,000 tonnes of sugar at a duty rate of 50 per cent between April and June while Rwanda was cleared to import 70,000 tonnes at 25 per cent for a period of one year.

The council also imposed other conditions aimed at protecting the sugar industries of other EAC economies including Kenya, Uganda and Burundi.

"Rwanda and Tanzania should give first priority by sourcing sugar from partner states that have excess production," Dr Mwakyembe said in an EAC gazette notice.

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# Court blocks Barclays bid to auction KFA assets over debt

**BY ERIC MATARA AND FATUMA ARFUN**

Barclays Bank has suffered a blow after the High Court blocked its plan to put the Kenya Farmers Association (KFA) assets on sale today in a bid to recover a Sh2.2 billion debt.

On Tuesday, Justice Sila Munyao of the Land and Environment Court put the planned auction of KFA headquarters and its other properties on hold until an application is heard and determined.

Barclays had earlier obtained orders to sell the properties — which it holds as securities for money advanced to KFA during the Kanu era — in a public auction.

The bank, through Garam Investments, advertised the four-storey building belonging to KFA for sale, prompting the association to move to court seeking to stop the auction.

**KFA building in Nakuru.** SULEIMAN MBATIA

Its lawyer Gatu Magana argued that KFA had made progress in meeting its obligations to its creditors and that it had repaid the debt in excess of Sh200.2 million.

The association said if the planned sale was allowed to proceed, its many tenants that include banks, saccos, commercial colleges, private offices and KFA employees would suffer "irreparable damage".

They further said no prejudice would be suffered if the auction was stopped "as the financial institution had been paid the outstanding debt in excess of loan due to it".

In an affidavit sworn in court, KFA general manager Tom Ndiwa said they had provided the plot title deed to secure a loan used to re-finance its operations that had since become profitable with its numerous branches re-opened.

But Barclays maintained that KFA, formerly known as Kenya Grain Growers Co-operative Union, owes it the amount insisting that the money includes accrued interest at a rate of 22.5 per cent.

The court will hear the application on October 8.

ECONOMY & POLITICS

# Kidero hires youth guards for city grass

**DIRECTIVE** Governor empowers recruits to arrest offenders and prescribes Sh2,000 fine

BY STELLAR MURUMBA

Nairobi Governor Evans Kidero has deployed an army of youth to guard the city's beatification projects and announced a fine of Sh2,000 for pedestrians found stepping on grass and flower beds.

The more than 50 youth, "empowered to arrest offenders", will ensure that pedestrians keep to designated footpaths, locking in anyone found stepping on flower beds or littering the city.

"This morning more than 50 young men and women who have undergone extensive training in law enforcement were deployed in various parts of the Central Business District (CBD) and its environs as part of our Environmental Monitoring and Enforcement team," Dr Kidero said when he unveiled the team yesterday.

The new team are an additional workforce to hundreds of traffic marshals that the county has already deployed on the streets to coordinate the flow of vehicles.

The large army of county 'askaris', as they are popularly known raises fear of harassment and extortion ring witnessed under the defunct local authorities and the governor moved fast to address the concern.

> More youths will be absorbed to ensure law and order is restored to our great city
>
> DR EVANS KIDERO

Dr Kidero gave out phone number - 0725624489 - for use by residents to report mistreatment by the new team.

"More youths will be absorbed to ensure law and order is restored to our great city in the coming days. Nairobi County will continue to empower more youths by providing long term employment to increase productivity for a better city and better life," he said.

The county has invested more than Sh40 million on the beautification programme, Dr Kidero said, adding that the deployment of the youth will significantly reduce maintenance cost.

**Some of the members of the Nairobi County Environmental Monitoring and Enforcement team. The unit was unveiled by Dr Kidero yesterday.** COURTESY

"I am requesting residents to fully co-operate with this team for a cleaner and safer Nairobi." The move to hire guards for the beatification projects comes weeks after Kenyans took to social media with funny memes about "Kidero grass". Back then President Uhuru Kenyatta however encouraged him during the pre-Global Entrepreneurship Summit (GES) event in Nairobi late last month.

During Starehe Boys Centre's 56th celebrations, President Kenyatta theatrically reiterated that the now branded "Kidero grass" was not meant for Obama but for Pope Francis, who is expected to visit Kenya in November.

A video posted on Twitter had initially showed workers uprooting flowers planted along Nairobi's Uhuru Highway days before President Obama's visit. However, the County's director of communication, Beryl Okundi, told *Business Daily* that the area had too many stones.

"The contractor removed the flowers to prepare the ground afresh for planting grass as had been originally intended," said Ms Okundi.

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# 18 African states want Britain to join ex-colonies in war on terror

BY EDWIN MUTAI

Legislators from 18 African countries have asked Britain and its former colonies to join forces and name financiers of terrorism currently ravaging the continent.

The more than 400 delegates who are attending the 46th Commonwealth Parliamentary Association (African region) in Nairobi have at the same time called for enactment and full implementation of enabling laws to fight terrorism.

"We need to institute progressive legislative reforms to promote greater governance and respect for human rights and rule of law even as we enact laws to help government's combat terrorism," said Wajir Senator Abdirahman Hassan while presenting Kenya's position in the war on Al-Shabaab.

"We need to enact laws that reduce poverty, strengthen rule of law and combat corruption. We can't counter terror without fighting graft."

He said the use of military intervention alone is not a solution, adding that parliaments must play key roles to strengthen oversight.

"We need to empower defence and security committees to ensure effective implementation of laws that the House pass to combat terror.

**Rich children**

"A combined approach from diplomacy, intelligence and military approach should be undertaken. We need a holistic approach to address terrorism," Mr Hassan said.

Deputy President of the Nigerian Senate, Ike Ekweremadu, seconded Kenya's motion on terrorism.

He said corruption was to blame for the rising acts of terror and called on African parliaments to help establish independent courts to deal with corruption and terrorism.

"I don't believe poverty is a critical issue fuelling terrorism. The Islamic State is recruiting very rich children from UK, Nigeria and other parts of the world. They handle AK-47s that cost a lot of money. I don't think poverty is major culprit.

"It is the porosity of our borders and inefficiencies of our security forces. How can Boko Haram or Al Shabaab move freely across borders to kill people if security is efficient?" he asked.

The legislators said the failure of security agencies in intelligence gathering and policing the borders was to blame for the killings.

Both Kenya and Nigeria said they had developed laws to curb terrorism but the problem persists.

# Uhuru saysKenya will work with ICC, faults West's control

BY GEORGE OMONDI

President Uhuru Kenyatta has said his administration will continue to "cooperate fully" with the International Criminal Court (ICC) even as he renewed his criticism of the institution as an appendage of the West.

The ICC has frequently accused the government of frustrating its efforts to prosecute the 2007/2008 post-election violence suspects, among them the president (whose case has since been dropped for lack of witnesses) and his deputy William Ruto.

"If Kenya believed in impunity, it would not have submitted to the courts as it did. We have all along cooperated with the court because we are committed to justice at all levels," Mr Kenyatta said in Nairobi yesterday.

He made the remark at State House when he met Mr Sidiki Kaba, the new President of Assembly of State Parties to the Rome Statute, an organ which manages and oversights the ICC.

"African countries have expressed concern over whose agenda ICC is pushing but despite all that, we have never failed to cooperate with the court," Mr Kenyatta said. Mr Kaba, Senegal's former Justice minister – and the first ASP president to visit Kenya - was elected for a three-year term in December.

# Ban on GMOs will be lifted in two months, says Ruto amid protests

BY DOREEN WAINAINAH

Kenya will lift its three-year ban on Genetically Modified Organisms (GMOs) in the next two months, Deputy President William Ruto has said drawing protest from consumer groups.

"Scientists and especially those from the National Biosafety Authority should be able to confound skeptics. We should be able to tell the public that anything genetically modified is not harmful. Science and technology is what will take us to the next level," said Mr Ruto at the opening of the biosafety conference.

The announcement comes as good news for scientists, including those from the Kenya Agriculture and Livestock Research Organisation (Kalro), who had formally applied to the biosafety regulator for the release of GMO maize which has been on trial for commercial production.

Scientists from Kalro and the African Agriculture Technology Foundation have been researching on the production of insect-protected maize since 2007, followed by field trials in 2012. "Various government

**Deputy President William Ruto speaks at the biosafety conference in Nairobi yesterday.** FILE

ministries, departments and agencies concerned with biotechnology have already consulted and agreed on the necessary regulations and safety measures to be adhered to so that we can maximise on agricultural production, improve health services, conserve the environment and basically improve the living standards of our people," said Mr Ruto.

GMOs have sparked debate in Kenya, where the ban was put in place in 2012 by a task force formed by the then Public Health minister Beth Mugo. The taskforce ruled that GM foods were not safe for consumption, basing the decision on earlier studies that linked the crops to cancerous tumours in rats.

But a global scientific journal retracted an article it had published earlier that linked genetically modified food to cancer, prompting journalists to call for the lifting of the ban.

The report of the task force which had been mandated to advise the government on whether the ban on GMOs should be lifted or not is yet to be made public months after it was revived.

Health secretary James Macharia indicated that the report had been presented to the Cabinet for a final decision.

The Consumer Federation of Kenya has opposed the move, stating that the matter has not been exhaustively addressed.

"We would like to put Mr Ruto on notice that Kenyans will not accept lifting of the ban without conclusively addressing the issues which necessitated it in the first place," said Stephen Mutoro, Secretary General, Cofek.

# CORPORATE NEWS

NEWS I REVIEWS I ANALYSIS


A CFC Stanbic Bank branch in Nairobi. The lender's net earnings for the half-year to June dropped to Sh1.96bn. FILE

## CFC Stanbic profit dips 42pc on S. Sudan political unrest

**ANALYSIS** Lender's half-year earnings reflect dwindling fortunes experienced by Kenyan firms due to protracted power struggle

BY CHARLES MWANIKI

The economic impact of South Sudan's political unrest on Kenyan firms is hitting home with CfC Stanbic Group reporting a 42 per cent slump in half-year net earnings to Sh1.96 billion, attributed to falling revenue from its branches in the volatile country.

A civil war between political factions has badly bruised South Sudan's economy, disrupting its economic lifeline of oil production. This has resulted in a shortage of foreign currency that is affecting the operations of Kenyan and other international firms that had moved in following the signing of a comprehensive peace deal in 2005.

CfC Stanbic's South Sudan operation revenue contribution for the half-year ending June fell to about four per cent from 11 per cent in the corresponding period last year, translating to a drop of about Sh710 million.

"One of the areas we operate in is assisting the government of South Sudan with regard to the management of oil revenues and therefore the conflict has severely impacted our business. We have had heavy reliance on business coming out of South Sudan," CfC Stanbic chief executive officer Philip Odera said yesterday.

"We are however still operational there and still serving customers albeit at a lower level because the economy has substantially shrunk. The revenue slide is significant, both to us and our customers."

CfC Stanbic's total income declined by 17 per cent to Sh7.73 billion on the back of a Sh1.64 billion fall in non-interest income to Sh3.34 billion. Trading revenue also fell, by Sh1.07 billion to Sh1.82 billion, due to low liquidity in the Kenyan bonds market and lower foreign exchange volumes in South Sudan.

### Also affected

- East African Breweries said in late July that its subsidiary was operating two-thirds below capacity
- SABMiller plans to cut back operations or shut down subsidiary.
- Equity Bank said it would write off bad debts incurred in the country.

### Transactional fees

The lender however grew its loan book by 28 per cent to Sh100.2 billion during the six-month period, riding on increased customer deposits which went up by 18 per cent to Sh112 billion.

CfC Stanbic's main line of income in South Sudan is in transactional fees and commissions, and foreign exchange which have declined as the country's economy has become bogged down. The bank's net fees and commission income therefore dropped to Sh1.43 billion in the six months to June from Sh1.83 billion a year earlier.

While the bank has not been lending to individuals in South Sudan it does provide trade finance in the country using dollars. Most of the customer deposits are in South Sudanese pounds, meaning that in spite of these deposits growing by 16 per cent in the half year, they cannot be translated into trade finance loans.

Other businesses operating in South Sudan have also reported difficulties tied to the foreign currency crunch facing the country.

East Africa Breweries Ltd said during its full-year results announcement on July 31 that its South Sudan business is currently operating at two-thirds below capacity due to limited access to dollars. EABL operates a depot in South Sudan's capital Juba which is supplied with beer and spirits from its Nairobi plant.

SABMiller, the world's second-largest brewer, last week announced that it had scaled back operations in the country and may have to shut down its $50 million (Sh5 billion) factory that has operated for six years.

"We cannot locally source enough diesel to keep our operations running...and now we do not have enough sufficient forex to run operations and production," SABMiller managing director Carlos Gomes told AFP.

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## Sopa Lodge sues over park entry fees

BY MAUREEN KAKAH

A Tanzania and Kenya-based tourist lodge is seeking to quash multiple park entry fees paid by hospitality facilities situated outside the Maasai Mara Reserve as per a gazette notice enforced by the Narok County government.

Maasai Mara (Sopa) Limited yesterday sued the county government at the High Court in Nairobi for imposing higher and multiple park entry fees on visitors to the reserve who book lodges situated outside the park.

The firm told judge Isaac Lenaola that the December 24, 2010 gazette notice requires visitors to the reserve to pay the entry fee every time they re-enter the park, which means that a ticket issued upon entry expires on exit.

According to the director of operations at Masai Mara Sopa Lodge, Kennedy Ayoti, tourists must pay entry fees to the county government as a general requirement for those visiting.

Mr Ayoti said in court documents that the county had imposed a lower park fees for visitors who book lodges built inside the reserve. He claims the practice is discriminatory, prejudiced and biased as their visitors are burdened by an extra and improper charge.

He claims that this had affected their business and they risk closing down if the charges continue because they had experienced a high drop in the number of guests to the said lodge.

"Tourists intending to visit the lodge have shied away due to the imposition of the said charges in favour of those situated within the park run by the Kenya Wildlife Service or other local authorities that have cheaper entry fees," said Mr Ayoti.

The payment legislation was reviewed through the gazette notice first issued by the defunct Narok County Council and took effect as from March 1, 2011.

## Airtel's single tariff nets one million Internet customers

BY OKUTTAH MARK

Airtel's single (bundled) tariff for its voice, data, and SMS services which was launched in February has helped to lift the number of subscribers to its mobile Internet by more than one million in three months to March, the latest data by the industry regulator shows.

The bundled bill plan dubbed "UnlimiNET tariff" has seen Airtel grow its mobile Internet market share to 18.5 per cent from 14.6 per cent.

Airtel's SMS traffic volume grew by 2.5 percentage points to stand at 6.9 per cent of the market, with 452 million SMS sent during the quarter up from 324 million messages registered during the last quarter.

During the period under review, Safaricom mobile Internet's market share dropped sharply to 65 per cent from 72.1 per cent compared to the previous quarter, despite registering 400,000 new subscribers during the period.

Telkom Kenya's Orange also lost its market share in this segment to 13 per cent from 13.3 per cent in the previous quarter, despite signing up 300,000 new subscribers.

"This growth may be attributed to the innovative UnlimiNET product that champions Kenyans by ensuring that they are always connected and have the ability to call all networks and remain connected with friends and family on social media platforms and profession networks on the Internet even after they run out of data bundles," Airtel Kenya CEO Adil El Youssefi said in a statement.

Airtel Kenya CEO Adil El Youssefi. FILE

The UnlimiNET offers talktime and SMS to any network in Kenya for as low as Sh50. It also enables Airtel's pre-paid customers to enjoy 24 hours, 20 free minutes voice calls to any network, and 100 free SMSs to any network and 100MB data daily.

Customers on this bundle also get full speed access to Facebook, Twitter, WhatsApp, Instagram and Gmail within the day of subscription even after exhausting their 100MBs of data.

Mr Adil also added that Airtel's growth may be attributed to its 3G network upgrade in major towns such as Mombasa and Kitale in January, in which it deployed the latest wireless technologies that significantly enhanced network signals, data speeds and improved voice quality for its customers.

The report indicates Airtel is the only operator that has shown consistent growth in SMS traffic over the last four quarters under review.

**INCOME** After-tax earnings grow to Sh6.2 billion from Sh4.5 billion reported in same period last year

# Cost cutting lifts Co-op Bank's half year net profit 32pc

**BY MUGAMBI MUTEGI**

Co-operative Bank's net profit for the half year to June jumped 32 per cent helped by cost cutting which has seen the lender's labour and operational expenses drop by four per cent.

The bank said yesterday its after-tax profit for the six months to June had risen to Sh6.2 billion from Sh4.5 billion reported during a similar period last year.

Co-op Bank hired McKinsey & Co to advise on cost cutting measures, which saw the exit of over 160 senior staff at a cost of Sh1.3 billion.

The absence of this one-off cost in the period under review and the resultant lower labour costs saw the bank's total expenses and staff costs each drop by four per cent to Sh9 billion and Sh3.86 billion respectively.

"The benefits that we are getting from the transformation exercise are immensely surprising to us as a bank and beyond the projections that we had," said Gideon Muriuki, the bank's chief executive officer. "We closed the year with a cost to income ratio of 62 per cent and we have managed to bring this down to 51 per cent as at June. This is despite the bank growing both its loan book and assets."

> "The benefits that we are getting from the transformation exercise are... beyond the projections that we had
>
> GIDEON MURIUKI
> CO-OPERATIVE BANK CEO

The bank, which has frozen staff recruitment, now has 3,824 employees compared to 4,078 in June 2014.

The "Soaring Eagle" restructuring saw the bank implement a lean structure, automate key processes, optimise staff performance, set up a shared services centre and innovation office, among other changes.

Co-op's operating income for the period grew 10 per cent to Sh17.7 billion in the period while net interest income from its loan book went up by 19 per cent to Sh11.8 billion.

Co-operative Bank boss Gideon Muriuki during the investor briefing at the Stanley Hotel in Nairobi yesterday. WILLIAM OERI

Customer deposits grew by Sh49.1 billion to Sh248.3 billion while total assets increased by 22 per cent to Sh325.1 billion, boosting its balance sheet.

Net loans and advances to customers grew by a quarter to Sh204.8 billion with fees and commissions earned from this portfolio increasing eight per cent to Sh1.11 billion. Other fees and commissions dropped eight per cent to Sh3.6 billion.

"There was an extraordinary income last year during the change from debit cards to smart technology where we made a one-off income of over Sh500 million," said Mr Muriuki.

Despite the ongoing political and business challenges in South Sudan, Co-op's three branches in the country returned a profit of Sh122 million for the six month to June, compared to a Sh168 million loss in 2014.

Limited foreign exchange in South Sudan has seen multinational brewer SABMiller contemplate closing its brewery while CfC Stanbic yesterday reported a 42 per cent drop in half year net profits to Sh1.96 billion.

Co-op has also absorbed the effects of a higher corporate tax of 30 per cent (from 20 per cent) it started paying last year, after the expiry of a five year tax holiday it was enjoying since listing in 2008

The higher tax bracket saw it pay Sh3.4 billion to Kenya Revenue Authority in the year to December, up from Sh2 billion in 2013, but these sunk costs did not impact it this year.

The lender is the third of six top-tier banks to announce its half-year results.

Equity Group posted an 11.8 per cent half year net profit growth to Sh8.5 billion while KCB's grew 13 per cent to Sh9.2 billion during the same period.

Barclays Bank of Kenya is expected to release its half-year results today while Standard Chartered and Commercial Bank of Africa are yet to announce their six-month earnings.

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*See related story on page 20*



# GulfAfrican bank's net profit jumps to Sh405m

**BY VICTOR JUMA**

Islamic lender GulfAfrican Bank more than doubled its net profit in the half year ended June, driven by increased earnings from customer loans.

The bank reported a net profit of Sh404.6 million in the period compared to Sh179.1 million earned the year before, a 125.8 per cent jump. This came as income from customers' loans and deposits with other banks rose 21.9 per cent to Sh1.1 billion.

GulfAfrican Bank had a loan book of Sh13.2 billion in the period, up from Sh12.4 billion a year earlier, signalling a significant growth in its income from loans.

The lender's operating expenses, including staff costs, increased 21.9 per cent to Sh774.7 million while expenses on deposits rose 18.4 per cent to Sh201.8 million.

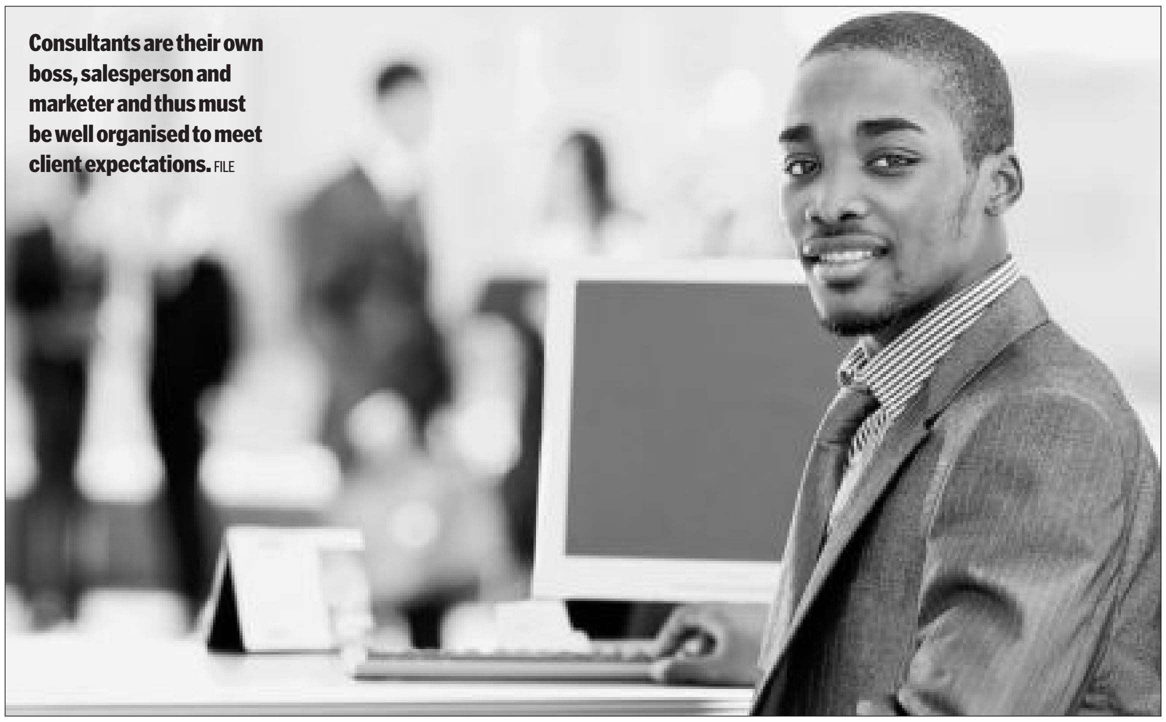
GulfAfrican's deposits stood at Sh17.7 billion, up from Sh13.8 billion. Its transaction-based income, including fees and commissions, nearly tripled to Sh491.2 million from Sh172.9 million.

The bank, which has 14 branches in the country, says it continues to focus on its expansion strategy throughout the country.

Its performance signals the pent-up demand for Islamic financial services, having started operations in 2008. There are over 4.3 Muslims in Kenya, according to the 2009 census, the number having more than doubled in the past two decades.

# IDEAS & DEBATE

OPINIONS I REVIEWS I ANALYSIS



Consultants are their own boss, salesperson and marketer and thus must be well organised to meet client expectations. FILE

## Consultant's life mixed bag of excitement and anxiety

**UNCERTAINTY** Freelancers operate in business environment that is both rewarding and volatile with unpredictable schedules and work

**MIKE ELDON**

In my last column I reflected on how I go about producing my regular articles for this paper, and while the thought of writing that piece was still only in my mind I found myself in conversation with a senior HR manager who envied my life as a management consultant. She wanted to make a bigger and more varied contribution to organisational development than she thought was possible within the confines of a single institution, and so she was curious to know more about the world of consulting, where you are exposed to multiple environments and, she reckoned, you are taken more seriously.

As I listened to my instant analysis of the joys and frustrations of my profession, it occurred to me that it might be helpful to share my thoughts more broadly with the *Business Daily* readers. So here goes.

First, let me readily admit that I love what I do, working with a wonderful variety of clients, from large corporates to family firms, from ministries and parastatals to NGOs and donors. I learn so much from each assignment, and the people with whom I interact are almost without exception as bright as they are friendly and respectful. Perhaps because I find it's typically those who are already strong and doing well who reach out for ways of becoming yet more successful.

But as this comfortably salaried lady heard me talk, she realised that a consultant's life is far from an unadulterated bed of roses. "How do I get into that world?" she started by asking, knowing it is not a straightforward question to answer. I remember that when I decided to reinvent myself as a consultant after decades of being — and being known as — a full-time IT executive, it took easily a year and a half before the market came to appreciate the reality of the new me.

> **Of course I go on the basis of first-come first-served, but this principled approach is really painful when a more tantalising offer comes up**

Sure I had accumulated lots of experience and an interesting network of contacts, senior people who were aware of "Brand Eldon". But in a very different context. So the challenge was to land the first assignments, the ones that would show I could perform in my transformed role. As I look back on those early days now I realise that my career in the tough IT vendoring environment actually prepared me extremely well for my third-age reincarnation. For trying to get organisations to apply the disciplined approach needed for effective automation, with its attendant inconvenient consequences of transparency and accountability, is essentially all about change management. It took some time before the penny dropped, but when it did it allowed me to feel comfortable labelling myself as the change management expert I appreciated I actually was.

As our conversation continued I turned to the perpetual uncertainty in which we consultants exist, seldom knowing which potential assignments will materialise and when. A sure bet will disappear, another will be postponed or occasionally brought forward. And a good number will threaten to clash with an existing commitment, or at least a likely one.

Of course I go on the basis of first-come first-served, but this principled approach is really painful when a more tantalising offer comes up later. Happily, it is also not uncommon for the earlier less exciting assignment to be moved or to disappear, allowing my preferred choice to be indulged.

Sometimes a month that looks to be highly booked appears increasingly barren…only later to benefit from fortuitous last-minute calls for my time. At other times I'm scrambling from one intensive assignment to the next with barely a moment to breathe, never mind to prepare adequately or write the reports I am typically required to do following an engagement. So early mornings, late nights and messed up weekends at the laptop are more normal than unusual.

We consultants only get paid for the days we work on an assignment, and for salaried folk this is an alien concept. It's why when we quote our daily rate clients often express shock — maybe genuine, maybe feigned — at how high the figure is.

And here's another aspect I have to come to terms with. Much of my life is spent facilitating strategic planning retreats for senior management and board teams, hosted at the nicest hotels and lodges in the country.

Often, participants will have come from far away to attend, maybe by plane and probably at great cost. So it never ceases to amaze me that having spent so much money on transport, per diems and the venue, when it comes to consultant remuneration clients can inform us with a straight face that only a "limited budget" is available for our fees. How odd, when it is largely how we perform that determines the success or otherwise of the event.

A further point: with rare exceptions, consultants must do their own marketing and selling, their own proposal writing, and their own billing and debt collecting. None of this time is payable, and most of us act as our own PAs —no bodyguards or drivers either!

Then, when we try to interest a client in more of our services, some accuse us of only doing so in order to generate more fees. It's as though we should feel guilty about suggesting further ways of adding value, building on what we have learned about the client and on what we have previously contributed to them.

Having said all this, I return to where I started: I thoroughly enjoy the work I do. All of it — often leading me to regret not having reinvented myself sooner. But then I tell myself that I needed to experience every moment of my earlier turbulent existence, to have acquired all those scars of battle, in the absence of which I couldn't begin to do what I do now.

Where did these reflections leave my friend the HR manager? Deep in thought, having gained a fuller appreciation of the exciting yet volatile environment in which we consultants operate.

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## Other Voices

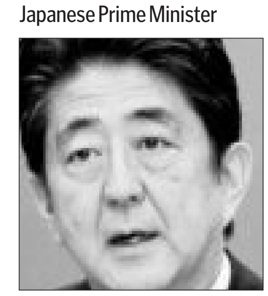
**Alexis Tsipras**
Greek Prime Minister

**Dambisa Moyo (Project Syndicate)**
The ongoing Greek debt saga is tragic for many reasons, not least among them the fact that the country's relationship with its creditors is reminiscent of that between the developing world and the aid industry. Indeed, the succession of bailouts for Greece embodies many of the same pathologies that for decades have pervaded the development agenda – including long-term political consequences that both the financial markets and the Greek people have thus far failed to grasp.

**Barack Obama**
US President

**Ruth Marcus (Washington Post)**
President Obama says those who oppose the Iran nuclear deal are either ideological or illogical. I support the deal, yet I think this assessment is incorrect and unfair. It diminishes the president's case for congressional approval. That case is strong but not overwhelming; it is not, to use a loaded phrase, a slam dunk. Reasonable minds can — and do — differ on whether to back it. He was a man who took pains to recognise and validate the legitimate concerns of those on the opposite side of nearly any complex debate.

**Shinzo Abe**
Japanese Prime Minister



**Alexander Freud (Deutsche Welle)**
Ever since Hiroshima and Nagasaki, every superpower, including nations which regard themselves as such, has wanted to have the bomb at its disposal. This includes states such as Russia, the UK, France, China, India and Pakistan. But the bombings also allowed warmongering Japan to take on the role of victim - something the Japanese like to remember much more vividly than the countless atrocities committed by their predecessors on neighbouring Asian nations. To this day, Japan has failed to confront its wartime past.

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## EDITORIAL & OPINION

# It is time Nairobi county officials earned their keep

Since early 2013, Kenya has been under a devolved government thanks to the 2010 Constitution. Whereas most people agree that a lot of good has come out of it, what has caught the eye is the wanton wastage of public funds. Indeed, it appears the whole story of the wastage that has accompanied the massive borrowing to finance the system is yet to be fully told.

Some of the wastage as we reported in our lead story yesterday goes barely noticed. To recap, Nairobi County Assembly has gobbled Sh1 billion while passing only two Bills in 14 months. On the surface, that might not look like loss of public funds. But it is. The members of the county assembly (MCAs) are supposed to make laws that enable the Nairobi government perform its task.

While nobody would think of attributing the non-performance of Nairobi to MCAs alone—it collects taxes as usual but offer shoddy services or none at all—the MCAs are not paid to sit idle or debate matters that are not relevant to the residents of the city. They can only blame the city administration if they have done their part to help.

And to claim that some of the no-bidding motions by MCAs have been ignored, hence their lack of enthusiasm, is an exercise in dishonesty. They have the powers to remove the Executive if they so wished.

While the structure of the Constitution is such that MCAs and assemblies can only be removed by popular will, there is need to re-evaluate this principle as members are mostly paid through national coffers as opposed to local taxes which should not be the case.

There is no reason why the Controller of Budget should continue giving money to idlers as in the Nairobi case. Even as we wait for the residents to vote in 2017, there is a case especially for measuring and benchmarking performance through enacting laws. MCAs and other political office bearers should be paid according to measurable performance parameters so as to avoid free-loading on taxpayers' money.

On the other hand, Nairobi county and Governor Evans Kidero should come out and say how they are trying address the situation. The city cannot afford to be in permanent paralysis.

The law must of necessity try to rein in such wastage of public resources.

# Trade deals debate welcome

The secrecy involved in the deal President Uhuru Kenyatta agreed with his Ugandan counterpart Yoweri Museveni over trade in sugar and beef is a key reason for the political ruckus it has sparked. As with the bilateral discussions with United States President Barack Obama recently, prompt revelation of details goes a long way to aiding public debate. It should not have taken protests by the Opposition to nudge free key details of the deal, such as the creation of a regional agency to resolve market access issues.

Better yet, a rationale for why the tradeoff was made at the expense of sugar farmers, and what they could hope for in future, would have been ideal. If the plan envisages better oversight over the origin of all 'Ugandan sugar' and limiting imports from elsewhere, it may well prove inspired.

The battle being fought over whether it is right to allow cheaper Ugandan sugar into Kenya presages another one long-postponed under the pretext of ongoing sector reform. Kenyan sugar, produced at greater cost and less efficiently than that from Common Market for East and Central Africa, has long relied on a temporary safeguard to stay on the shelves. The political incentives to hold onto protectionist trade barriers makes sense, but is not sustainable. Sooner, rather than later, expensive Kenyan sugar will be forced to battle it out in an open market.

Having all but failed at true reform in a decade of trying, we should be thinking of what to do about those who will not survive the coming deluge. Last minute protectionism won't work. Let's think of something else.

**To comment...**

**The editor invites comments on our content and topical issues. Please include your full names, telephone number and address in your letter. Email: bdfeedback@nation.co.ke**


*"Hey, what's the name of our boss? We've been refering to him by his nickname, I forgot his name!"*

# Private schools are the future of education

**BITANGE NDEMO**
DISRUPTION

In my column last week on the future of business, I argued that education would perhaps see the greatest disruption in coming days. This is because the sector has the most problems that technology can easily resolve. The lethargy in public education will soon be a thing of the past. Online content delivered by some of the best tutors, who will replace indolent teachers. It is not a question of whether this will happen, but when it begins to happen on a large scale.

*The Economist* of August 1 had a well-researched article titled "The $1-a-week school" with the kicker "Private schools are booming in poor countries. Governments should either help them or get out of their way."

The article argues that, "Powerful teachers' unions are part of the problem. They often see jobs as hereditary sinecures, the state education budget as a revenue stream to be milked, and any attempt to monitor the quality of education as an intrusion. The unions can be fearsome enemies, so governments leave them to run schools in the interests of teachers rather than pupils."

A 2013 World Bank report, Service Delivery Indicator (SDI), paints a grim picture of the happenings in our schools. Close to 50 per cent of the time, teachers in rural public schools are absent from the classroom. This compares unfavourably with private schools where teacher absence from the classroom stands at 31 per cent. In an eight-hour-day teaching schedule, students in public schools receive an average of 2 hours 19 minutes of teaching compared to 3 hours and 18 minutes in private schools. The SDI report also says that less than 40 per cent of the teachers have minimum knowledge in the subjects they teach.

This is happening as thousands of graduates languish at home without jobs and the technology to deliver globally competitive content is readily available. If we want to focus on the student and professional teaching, the government must encourage private schools. It is the only strategy that will force the unions to put the interest of the student ahead of their demands. It will also force them to accept monitoring of the quality of education as a prerequisite for salary enhancement.

Unfortunately, the government has already made a serious error of judgement by abolishing the ranking of schools. This decision means there is virtually no formula in place to monitor quality of education, and to recognise and reward performing schools.

In 2012, a civil society organisation, Twaweza Communications, did a study in which it picked class three pupils and administered class two tests in numeracy, English, Kiswahili and a combined test. The results showed that "a little less than one in three children were able to pass the Kiswahili (32pc) and numeracy tests (29pc), but only one in six passed the English test (16pc). Similarly, less than one in six were able to pass both the literacy and numeracy tests combined (15pc). These results imply that the vast majority of pupils are not acquiring basic competencies during the early years of primary school as expected in the national curricula."

The answer to these problems lies with new business models in teaching and digital learning, which is already here with us and is quickly coming to the ubiquitous mobile platform. Content has been gamified, making learning more fun and interesting. Traditional methods of teaching will remain for some time but teachers will have to keep up with the new pace of learning from multiple sources.

As more and more people move on to the middle class, such concepts as universal education will cease to be politically correct. Most students will be in private schools that will more likely be better equipped than public schools.

This trend is not unique to Kenya alone. *The Economist* survey covered many countries including India, Nigeria and Kenya. The poorest of the poor neighbourhoods led the way with many private schools. In Mathare, the article counted more than 120 private school compared to four public schools. A recent mapping of Kibra revealed that more than 96 per cent of schools are private-run.

Many Kenyan parents spend a fortune to have their children get a good education but new policies from the government consistently undermine growth of private education yet we know there are challenges in public education. It is perhaps time the government embraced private education as complementing, if not offering alternatives to, public education.

Aristotle said, "It is the mark of an educated mind to be able to entertain a thought without accepting it."

*The writer is a technology enthusiast and an associate professor at University of Nairobi's Business School*

## VIEWS FROM ABROAD ■ *Opinions from around the world*

### Kenyans wrong to troll Kagame

**MAIL & GUARDIAN**
JOHANNESBURG

in Kenya, #SomeoneTellKagame was the top trending topic on Twitter after a Kenyan implored President Paul Kagame not to ruin his legacy by seeking a third term. The response from Kagame's account was swift, and brutal telling him to worry about his legacy instead. It seems presumptuous, excessive, and even disrespectful for Kenyans to troll Kagame - after all, they don't have a say in Rwandan politics.

### Uganda-Kenya tie crucial

**DAILY MONITOR**
KAMPALA

Kenya is Uganda's biggest business partner in the region. The two countries, therefore, need each other and must avoid anything that can hurt such cordial relations. The 2008 post-election violence in Kenya reminded us of the hard reality, when Uganda-bound goods were briefly cut off by rioters in parts of Kenya, making life for the business community in Uganda and ordinary consumers hard.

### Turkey should curb IS influence

**THE TELEGRAPH**
LONDON

The larger concern about Turkey's military re-engagement with the Kurds is that it distracts attention away from the main coalition effort in Syria and Iraq: namely, defeating IS which continues to grow in strength. Any development that strengthens IS is something the West should view with alarm, which is why every effort should be made to curb the escalating crisis between Turkey and the Kurds.

# We must temper our oil optimism with caution

**ADAN ALI**
PETROLEUM

There is huge optimism over Kenya's potential as a crude oil producer, and rightly so; we have seen economies foster in deserts, overnight multi-millionaires and class-leading social systems near guaranteed for generations due to oil finds and production.

A lot has been said about the oil curse and blessing paths but this was when the market was supplier driven, and capacity and price controlled by Opec. The industry dynamics have significantly shifted with the development and continued maturity of shale oil, among other factors.

The US is now energy independent and the world's largest oil and gas producer. It has since increased the level of crude supply in the market and a battle of market share ensued with traditional output leaders. Since Opec's decision not to cut output in November 2014, analysts estimate more than $50bn worth of investments in the oil and gas exploratory and development phase, have been delayed, cancelled or divested by oil firms.

Moreover, the recently concluded Iran negotiations will likely see a further increase in supply with an estimated 1.2m barrels of oil per day as early as 2016. As a nation, we need to question if there is enough room for a novice crude supplier in an intensely contested market where demand is down. EU's growth has been checkered since the financial crisis, China's growth rate continues to sober to realistically sustainable levels while the US has reduced its crude oil imports from Opec.

India is now ahead of Japan in oil importer rankings but its needs alone cannot compensate for the global demand slow down of crude oil. It is unlikely that Opec's insistence on market share will ease, much to the detriment of oil-reliant economies and Opec members Venezuela, Algeria, Nigeria and Angola.

Though EIA and Opec forecast an improved supply-demand equilibrium in 2016, Kenya should work to mature its upstream ecosystem with a likely risk of delayed demand for our crude output.

Kenya is at its infancy in upstream oil industry and arriving to the party at a supply-demand imbalance. We need to be cautiously optimistic and thirsty for industry insights and trends to effectively plan for an oil blessing.

We should not be myopic with planning for the identified finite reserves but rather calm an obsession with first-oil and be visionary for a diversified economy that can utilise the crude oil potential as a negotiating chip when hosting interested upstream firms.

Perhaps more humbling, given the industry state, we need to be prepared that potential oil production companies and clients may not necessarily salivate at our resources in the short to medium term. Perhaps.

*The writer is a senior partner, House of Major Ltd*

## Letters

The editor welcomes brief letters on topical issues. Opinions expressed here are not necessarily those of the editor or publisher. They may be edited for clarity, space or legal considerations.
Send via e-mail to **bdfeedback@ke.nationmedia.com**

# Make details of Kenya-Uganda trade deals public

President Uhuru Kenyatta and his Ugandan counterpart Yoweri Museveni signed various deals that are designed to steer economic growth between Kenya and Uganda.

The three-day visit that ended on Monday saw Kenya signing deals on non-tariff barriers that have been seen to undermine integration and growth of our internal market. Another good deal that was signed was to construct the Sh400 billion pipeline that will transport oil from Albertine to Lokichar in Turkana County. This will revolutionise the oil and transport industry.

Nonetheless, it's prudent for the government to make the trade agreements between the two countries public so that Kenyans can position themselves and leverage on the deals. Going public will also allow Kenyans to scrutinise whether these deal were meant to benefit a few or if they were meant to promote genuine business. Already, some people have started grumbling. And it's their right to do so because the government must look beyond individual benefits to that of all Kenyans.

Truth be told, the non-tariff agreements, among many other agreements, were meant to benefit Kenyans but it's time to make these deals public to enhance transparency, accountability good governance

NJENGAH SOLOMON
**via email**

**President Uhuru Kenyatta and Uganda President Yoweri Museveni in Kampala last week.** FILE

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The state should not kill the agricultural industry just to show loyalty to a neighbouring nation.

I cannot imagine Kenya importing sugar from Uganda. Where did our farming go? Where did our agriculture go?

We used to have many sugarcane farms that catered to other nations. The country used to produce sugar from the Coast to western Kenya.

When did Kenyan stop being an agricultural nation? No wonder that's why we no longer hear of agricultural shows any more. The Agricultural Society of Kenya shows are nowadays just trade fairs.

I equally get perplexed when I see long queues of semi-trailers loaded with maize from neighbouring Tanzania waiting to embark the ferries at the Likoni crossing.

We can't kill our once flourishing agriculture by importing food from other countries and say all is okay.

JUSTIN NKARANGA
**Mombasa**

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The deal that was signed by Uhuru and the Ugandan government clearly shows that the President might have got it wrong again or someone misled him. Approving the importation of Uganda sugar will do much harm to Kenyan sugar farmers and millers especially at this time when some leading sugar millers are struggling.

What the President should have done is look for a lasting solution to revive the sugar millers and help local farmers improve their farming. This deal will see an influx of cheap sugar from Uganda and the next action for local sugar farmers will be to uproot their cane and turn to other crops.

INGATI HILLARY
**via email**

# Scrap Energy Regulatory Commission to spare consumers price hikes

Is there anything else the Energy Regulatory Commission does other than announce increases in power and fuel costs? This is a commission whose main agenda appears to be to ensure that cartels in the energy sector rake in billions of shillings in profit at the expense of Wanjiku.

It is a crying shame that while global fuel prices are at their lowest in decades, the ERC is operating in an ideological vacuum, choosing to perpetuate a system of mercilessly penalising Kenyans with arbitrary, unfair and totally unjustified price hikes. ERC should be scrapped because its existence adds no value to the lives of ordinary Kenyans.

AGGREY OMBOKI, **via email**

# Country, firms in sorry state as corruption rife

**BY TIMOTHY BOSIRE**
PLUNDER

The frequency with which scandalous insolvency of Kenya's previously blue chip corporations is being reported should worry all of us. From Kenya Meat Commission, Kenya Airways (KQ), Mumias Sugar Company to Uchumi supermarkets. The list is mind-boggling. Is this accidental?

Many other key departments are in the grip of graft crises. The latest casualty is KQ. For long it thrived. Then, it was lucrative and attracted respected Western suitors keen to be partners. When its shares were floated to the public, they were sold out.

Now we are told that over Sh25 billion losses have been recorded over the last three years and that the airline risks imminent collapse. Experts quickly advised that the government needs to pump in at least Sh60 billion to rescue the airline. Mumias, on the other hand, has gobbled up more than Sh1 billion of taxpayers' money to try and stem a Sh6 billion cash crunch.

This is happening at a time the government has directed all its efforts at weakening and suffocating constitutional departments meant to fight corruption. We smell a rat! This corruption epidemic could be an unspoken Jubilee policy. The political attacks on Auditor General Edward Ouko, complete with death threats to his officers, following his latest damning annual audit report cannot happen in a democracy with a working Constitution.

Strangely this has followed the suspicious disbandment of the management committee of the Ethics and Anti-Corruption Commission (EACC). Add to this the concerted efforts to dilute the independence of the EACC and Auditor General by having their top officials hired through the Public Service Commission and we realise there must be a conspiracy to do away with the already weakened anti-corruption infrastructure. That can only be to pave the way for a strategically positioned group to loot the country dry.

Ironically, Jubilee politicians have become extra-ordinarily vocal in lecturing Kenyans about how to fight corruption. They do this as they scale up their forays to many parts of Kenya donating huge sums of suspect moneys in parallel harambees every week. When Kenyans have questioned where these funds are coming from, they have been rebuked and told to shut up.

The cancer of corruption was planted in Kenya by the top leadership of old Kanu. The country is now going through a "majuto ni mjukuu" phase as the grandchildren of the Independence generation suffer. The full effects of the destruction that corruption has wreaked on Kenya can be discerned from rising poverty, runaway crime rates, worrying misbehaviour by our children who have rebelled and openly exhibit their frustration through sexual immorality, drug abuse, resorting to illicit brews and burning schools.

*The writer is Kitutu-Masaba MP and ODM national treasurer*

NEWS INDEPTH

# Systematic dismantling of war economies is the best way to ensure lasting peace in Africa

**STRATEGY** The US and African countries have a chance to make it more costly for perpetrators to engage in war while amassing ill-gotten wealth for themselves

**BY JOHN PRENDERGAST**

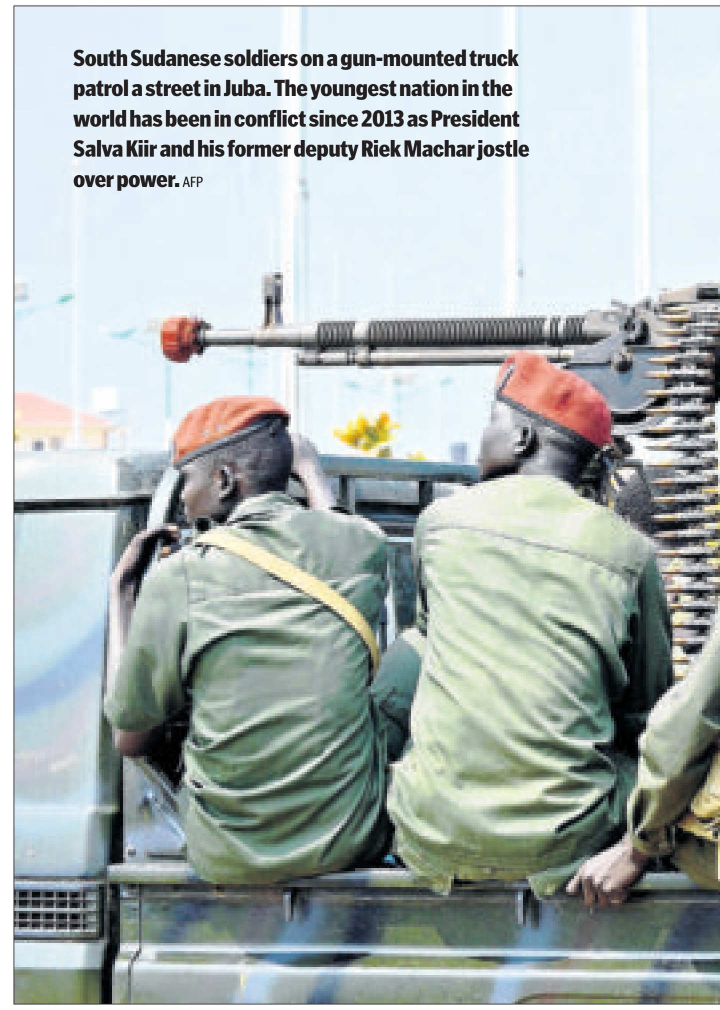
Throughout history, war may have been hell, but for small groups of conflict profiteers it has also been very lucrative. Today's deadliest conflicts in Africa — such as those in Sudan, South Sudan, Somalia, northern Nigeria, and the Democratic Republic of the Congo — are sustained by extraordinary opportunities for illicit self-enrichment that emerge in war economies, where there is a visible nexus between grand corruption and the instruments of mass atrocities.

State armies and rebels use extreme violence to control natural resources, labour, and smuggling networks. Violence becomes self-financing from pillaging, natural resource looting, and the theft of state assets with connections that extend to New York, London, Dubai, and other global financial centres.

During the final year and a half of his presidency, President Barack Obama has a real opportunity to make a difference in helping to stop these wars — a cause he committed to during his recent trip to Africa. "If African governments and international partners step up with strong support, we can transform how we work together to promote security and peace in Africa," Obama said in a July 28 speech in Ethiopia.

**Somali children hide behind a shanty door as a Somali soldier patrols a village in Afmadow. The town was freed from Al-Shabaab militants.** EVANS HABIL

He also threatened consequences for those who are unwilling to make peace. Speaking on August 4 about a peace deal aimed at ending the South Sudan war, he warned that the United States would have to "recognise that those leaders are incapable of creating the peace that is required" and find a new way forward if the country's warring leaders miss an August 17 deadline. But if the war economies that keep them going are not addressed, peace processes and counterterrorism efforts like the ones he focused on in South Sudan and Somalia during his trip stand little chance of success.



**South Sudanese soldiers on a gun-mounted truck patrol a street in Juba. The youngest nation in the world has been in conflict since 2013 as President Salva Kiir and his former deputy Riek Machar jostle over power.** AFP

To disrupt and dismantle these war economies, a transnational effort led by the United States is needed to trace, seize, and return the ill-gotten gains of the networks of perpetrators and facilitators who fund and profit from these conflicts. Ultimately, the incentives for financially benefiting from violence and mass atrocities need to be fundamentally altered through a comprehensive strategy of financial pressure that provides the necessary leverage to drive the parties to the fundamental compromises to give sustainable peace a chance.

George Clooney and I have created a project, The Sentry, to help do just that. A collaborative effort between financial investigators, analysts from the impacted regions, field researchers, and policy advocates, The Sentry is focused on exposing and undermining the financial networks of perpetrators, facilitators, and enablers who benefit from war.

In these hijacked African states, leaders use networks of enablers and financiers for personal enrichment and as a means to stay in power. Arms dealers, ivory traffickers, gold and diamond smugglers, minerals dealers, and others collude with government officials and rebel warlords — as well as, at times, terrorist networks — to maximise profit for a narrow few. Technically savvy and skilled at exploiting legitimate systems of finance, trade, and transport — as well as money laundering, regulatory and sanctions evasion, disguised beneficial ownership, diversion of state resources and assets, security sector fraud, and offshoring assets — these networks have remained largely untouched by law enforcement, regulation, or international sanctions.

The joint African Union/United Nations High Level Panel on Illicit Financial Flows from Africa, chaired by former South African President Thabo Mbeki, estimated that Africa loses Sh5.04 trillion ($50 billion) annually because of this kind of graft.

Instability and the absence or subversion of the

**Displaced Somali children queue as they wait for food-aid rations at a distributions centre in Mogadishu. They are among millions of Somalis affected by decades of war.** AFP

rule of law allow the biggest guns to control and profit from illicit economic activity, which would in a normal state operate under a legal framework and in the formal economy. Deadly violence serves multiple interests, and the states of emergency that rulers disingenuously declare in response to war allow them to further consolidate power, repress civil society and opposition, and enhance control of the spectacularly profitable illicit economy.

Political power and access to wealth and opportunity are so interlinked in hijacked states that it is difficult to separate greed from grievance in assessing motivations for conflict. Root causes involve a deadly cocktail of economic opportunism combined with social cleavages. And as war economies evolve and conflicts become more protracted, armed groups can fragment, especially if states employ divide-and-conquer military strategies, as has been seen in Sudan, South Sudan, Somalia, Congo, and other deadly conflicts in Africa.

Some states can have multiple, competing kleptocratic networks — "government officials, private-sector actors, and organised criminals … represented in a single integrated network" of grand corruption, according to Sarah Chayes of Carnegie Endowment for International Peace — which can lead directly to civil war or to the carving out of violent local fiefdoms who control the resources of the area. Somalia, which has struggled against the militant Islamist group Al-Shabaab, has been the most acute example of this phenomenon: the state totally collapsed in 1991 and the country was without a formal, internationally recognised government for two decades afterward.

But it is also evident in South Sudan, eastern Congo, and the Central African Republic, among others, where competing armed groups commit horrible atrocities and violently pursue the spoils of a perverted state. Natural resources, wildlife, land, forests, and drug cultivation are all the subject of violent contestation.

Given the profitability of conflict and mass atrocities, the United States and Europe must focus on making war more costly than peace. People who benefit from war economies abound in peace talks and often view themselves as losing out economically in a negotiated settlement. Therefore, peace efforts require an emphasis on conflict transformation, where war economies must be dismantled and the institutions of the hijacked state, often predatory going back to the colonial period, must be completely reformed to fulfill their intended purpose. This is even more difficult in countries where natural resources have provided huge corruption opportunities.

International policies must focus more overtly on changing the cost-benefit analysis from war to peace. This has been the case in a number of places, including the way the Kimberley Process removed blood diamonds from the global supply chain and helped contribute to the end of conflicts in Sierra Leone, Liberia, and Angola.

**LABOUR ■** REUTERS

# How smuggled workers power China's industries

On a quiet river bend on the China-Vietnam border, a group of people clambered up a muddy bank. They had just glided across the river from the Vietnamese side in a long-boat, guided by men on both banks signalling with flashlights.

The passengers scurried over to a group of men standing by their motorcycles, climbed aboard the bikes and disappeared into the night. Two Chinese police officers in uniform, stationed at a small post near the crossing point in the border town of Dongxing, watched impassively as they rode past.

"We come every night," said one young biker with spiky hair before he rode off. "Sometimes we carry (smuggled) goods into town. Sometimes we carry Vietnamese workers."

The bikers' illicit cargo on that late summer night last year was illegal labourers. They were headed on a 700-kilometre (440 miles) journey to the economic powerhouse of Guangdong. The province, filled with factories making goods for export, has been dubbed "the workshop of the world."

The smuggling of illegal workers from Vietnam across the 1,400-km (840-mile) border into China is growing. Labour brokers estimate that tens of thousands work at factories in the Pearl River Delta, which abuts Hong Kong. Workers from other Southeast Asian nations are joining them.

> **Taking advantage of this situation, some bad elements have brought Vietnamese to work illegally**
> PHAM THU HANG, MINISTRY SPOKESWOMAN

Visits by Reuters to a half-dozen factory towns in southern China revealed the employment of illegal workers from Vietnam is widespread, and authorities often turn a blind eye to their presence. Workers from Myanmar and Laos were also discovered to be working in these areas.

Reuters found that employers supply these illegal workers with fake identity cards and sometimes confine them to factory compounds to keep them out of sight of the authorities. Chinese human smuggling syndicates, known as "snakeheads", work with Vietnamese gangs to control the lucrative trade, workers and labour brokers in China said. The syndicates take a cut of the workers' monthly wages - up to 500 yuan (51 pounds) a month in some cases, according to one broker - and charge factory owners a fee.

Vietnamese officials express concern at the illegal flow of labour into China. The number of Vietnamese crossing a long border with "complex terrain" has increased in recent years, posing a challenge for both governments, said Pham Thu Hang, deputy spokesperson at the Foreign ministry in Hanoi. She did not have figures on the illegal flow. "Taking advantage of this situation, some bad elements have brought Vietnamese to work illegally in China, making it hard for the labour administration in both countries," she said.

A Chinese foreign ministry spokeswoman declined to comment, directing Reuters to other government departments she did not name. The Ministry of Public Security in Beijing did not respond to a faxed request for comment, nor did the Guangdong province Public Security Department.

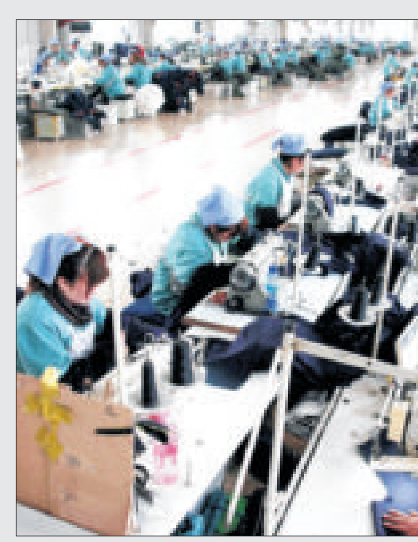
The growing influx of illegal labour into China is evidence of an economy that has reached an inflection point. Chinese factories have long depended on an abundant supply of cheap domestic labour to power the country's Sh20 trillion-a-year export sector. But the number of people joining the workforce is declining as China's society ages and wages are rising.

Factory owners are struggling to retain their edge. They face a choice. They can move production from the Coast where wages are higher, either to inland provinces or across the border to places like Vietnam and Cambodia. Or they can pay the snakeheads and labour brokers to smuggle in foreign workers who cost less, have no protections and can be easily laid off.

The rest of the world will begin to feel the effects as China transitions away from its cheap labour-intensive export model, says Jianguang Shen, the chief Asia economist for Mizuho Securities Asia Ltd. who wrote a research report in June on China's slowing supply of internal migrant workers. "China has been subsidising other parts of the global economy, not only by cheap labour but also (through) very low welfare protection of the workers … In the global sense, if everything else is equal, global manufactured costs may become a little more expensive."

Across Asia, the search for new sources of cheap workers to power the continent's low-margin, labour-intensive industries is boosting migration - and along with it, the business of people smuggling and human trafficking. Vietnam, a nation of 92.5 million people, sent 107,000 workers abroad legally last year – a 20 percent increase from the year before.

**-REUTERS**



**Workers go about their duties at a Chinese factory. Faced with an aging domestic population, employers have opted to hire smuggled workers .** FILE

REGIONAL NEWS

**POLLS** Moise Katumbi eyeing top seat as Kabila mum on plans for term beyond constitutional cap

# Millionaire governor gears up for 2016 Congo election

Democratic Republic of Congo's richest and most powerful provincial governor is courting disaffected parties in President Joseph Kabila's coalition, fuelling speculation he is preparing a 2016 electoral challenge, political sources say.

Moise Katumbi, the 50-year-old governor of copper-rich Katanga province in the southeast of the vast African nation, is also getting help from top Washington lobbyists pushing for an orderly vote in November next year, US filings show.

Although Katumbi, owner of top flight Congolese soccer club TP Mazembe, was coy about his ambitions when contacted by Reuters, one source close to him said he would throw his hat into the ring as a presidential candidate in the next month.

"Moise will declare one year before the date scheduled for the start of the electoral campaign," the source, who spoke on condition of anonymity, said. The election campaign officially opens on September 20 next year.

Kabila has ruled the former Belgian colony since his father's assassination in 2001, winning disputed elections in 2006 and 2011.

The constitution says he must quit next year but Kabila has refused to say whether he will leave office, angering opponents who accuse him of behaving like many African 'Big Men' who cling to power beyond their mandate.

At least 40 people died in January in protests against revisions to the election code that demonstrators said were a pretext to delay the presidential vote.

Democratic Republic of Congo President Joseph Kabila. AFP

However, analysts say a formal Katumbi bid with declared support from some of Kabila's partners could be sufficiently serious to force Kabila into the open.

"The most immediate effect would be a total remaking of Kabila's base," said Pascal Kambale, former Congo country director for the Open Society Initiative for Southern Africa.

> "The most immediate effect would be a total remaking of Kabila's base
>
> PASCAL KAMBALE, EX-COUNTRY DIRECTOR, OPEN SOCIETY INITIATIVE FOR SOUTHERN AFRICA

"If he reacts mildly it will be an indication that he is himself not interested to stay in power any longer than constitutionally needed."

A government spokesman has said that Kabila intends to respect the constitution.

With a large support base in Katanga and vast sums at his disposal, Katumbi is viewed by many analysts as the most credible successor to Kabila. As a governor, Katumbi was credited with restoring infrastructure and supporting the booming mining sector, although critics accuse of him of lacking a long-term vision and using the office to advance his own business interests.

Katumbi's camp has also deployed a top law firm in Washington, Akin Gump Strauss Hauer & Feld LLP, to lobby for US support for timely polls.

According to a July filing with the US Department of Justice under the Foreign Agents Registration Act (FARA), Akin Gump contacted dozens of congressional staffers, NGOs and academics in the first six months of 2015 on behalf of the Mining Company of Katanga (MCK).

Katumbi co-founded MCK, which is now owned and controlled by his wife, Karyn, according to FARA records.

Since 2011, the company has operated as a sub-contractor for mining companies, according to a filing with the provincial government.

It first retained Akin Gump in 2013, when the firm lobbied for the opening of a US consulate in the Katanga capital, Lubumbashi, and a grain storage project.

But Akin Gump's 240 emails, phone calls and meetings in the first six months of this year on MCK's behalf all focused on "US policy on 2016 DRC elections", according to the filing.

Anthony Gambino, a Georgetown University lecturer and former US Agency for International Development director in Kinshasa, said he met an Akin Gump representative last week to discuss ways outsiders could press for Kabila's exit in 2016.

Gambino said Katumbi himself was not mentioned during discussions about Kabila's alleged efforts to stay in power.

Others contacted on behalf of MCK include the staff director of the House of Representatives Africa Subcommittee, the head of the National Democratic Institute in Kinshasa and the senior DRC desk officer at the State Department.

**- REUTERS**

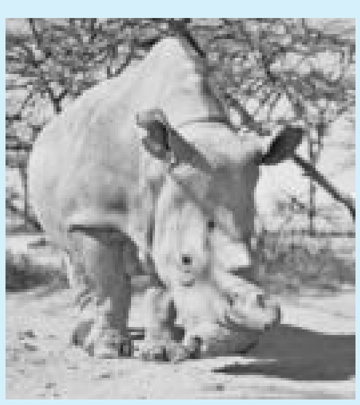
# Weak laws fuel South African rhino poaching

A prosecutor in South Africa's Kruger National Park says rhino poaching cases appear in court like "shoplifting cases in the city", casting doubt on the country's anti-poaching strategy as it suffers another year of rhino carnage.

For the past six years, prosecutor Ansie Venter has been working on rhino poaching cases in Skukuza Magistrates' Court, the legal heart of the world-famous park.

Yet despite a high conviction rate, Venter is still seeing waves of people coming through the court in connection with poaching, a state of affairs that riles her.

"I think it's still getting busier by the day," said Venter, a 54-year-old woman with auburn hair wearing a black and white striped silky shirt. But, she said, "our hands are virtually tied".



**1,215 rhinos were killed last year.** FILE

South Africa is on track to see another record year of rhino poaching. Last year, 1,215 rhinos were killed for their horn, used in East Asia for its supposed medicinal qualities.

In the first four months of 2015, 393 rhinos were killed — a more than 18 per cent increase over 2014, Environmental Affairs minister Edna Molewa said earlier this year.

In the Skukuza court, on a warm morning in June, Venter pushed for the imprisonment of Elliot Mzimba, a man wearing faded blue jeans, sitting with hunched shoulders in front of the judge.

The 43-year-old father of six from Mozambique was arrested earlier this year in Kruger park with a .375 calibre hunting rifle and ammunition.

Through a translator speaking Tsonga, Mzimba pled guilty to all the charges -- trespassing, illegal possession of a firearm and ammunition and intent to commit a crime -- and was sentenced to seven years in jail.

"I think the higher the sentence, the bigger the deterrent," said Venter.

"But no matter how much we despise and hate the people we catch, they are usually the uneducated poor people at the low end of the food chain who are simply desperate for an income."

South Africa does not have specific legislation designed to address rhino poaching.

As a result, prosecutors have to push for the maximum sentences of what used to be relatively innocuous offences, including trespassing and illegal possession of a firearm and ammunition.

But many poachers slip through legislative cracks by getting bail, escaping the country and receiving no punishment at all.

"Mozambique has not signed any extradition treaty, which means they flee and do not come back to court, in which case justice obviously is not served," said Venter.

**- AFP**

## BRIEFING

### PRETORIA

**Chronic power outage 'biggest challenge facing South Africa'**

South Africa's chronic electricity shortages are the "biggest challenge" facing Africa's most developed economy, cutting one percentage point off growth, President Jacob Zuma said. Zuma told reporters in Pretoria he had also "noted with concern" the complaints about new visa regulations implemented this year and has set-up a committee to address any "unintended consequences" from the new rules.

New rules requiring parents to carry unabridged birth certificates for their children when travelling to South Africa have frustrated the country's key tourism sector.

### KIGALI

**MPs say only 10 Rwandans against Kagame third term**

Rwandan lawmakers found only 10 people in nationwide consultations who opposed possible constitutional changes to allow strongman Paul Kagame a third term in power, a report said Tuesday.

Lawmakers began a national tour last month to gather opinions after both houses of parliament voted in support of constitutional change, backing a petition signed by millions of citizens. Over 3.7 million people — over 60 per cent of voters — signed the petition calling for a change to Article 101 of the constitution, which limits the president to two terms, according to Rwandan media.

### TRIPOLI

**Libyan prime minister resigns as rival factions resume talks**

The prime minister of Libya's internationally recognised government, Abdullah al-Thani, announced his resignation in a surprise move live on television Tuesday, hours after fraught peace talks between the country's rival factions restarted. During the talk show Prime Minister Al-Thani faced a barrage of angry questions from citizens who blamed his government for the lack of basic services such as electricity and poor security in areas it controls. "If my exit is the solution, then I announce it here," al-Thani said during the talk show, adding that "my resignation will be submitted to the parliament on Sunday".

### JOHANNESBURG

**Zuma blames apartheid legacy for slow SA economic growth**

South African President Jacob Zuma has blamed the country's tepid economic growth on apartheid, describing it as "colonialism of a special type".

Addressing reporters in Pretoria, Zuma said South Africa suffers from "complex historic problems" that are unique on the continent. "Other countries in Africa never had a racially based economy," said Zuma at a briefing where he took stock of reforms implemented by the government since the beginning of the year.

"We are trying to address the legacy of apartheid, and it's going to be with us a long time," said Zuma.

BUSINESS DAILY
Digital BUSINESS
THURSDAY, AUGUST 13 2015
TECHNOLOGY
SYSTEMS
INNOVATIONS
INFORMATION
GADGET REVIEWS

**REFORMS** The exercise which will also take DNA samples will facilitate prosecution of suspects

Kenya Wildlife Service staff (KWS) and students from the Technical University of Kenya assess stockpiles of rhino horns and elephant tusks at the KWS headquarters in Nairobi. SARAH OOKO

# KWS banks on online ivory stock inventory to curb theft

BY SARAH OOKO

At the Kenya Wildlife Service headquarters in Nairobi, staff conservationists and students from the Technical University of Kenya (TUK) are busy assessing stockpiles of rhino horns and elephant tusks.

Working is small teams scattered across one of the halls at the organisation, each group is weighing, and photographing the stockpiles whilst feeding this information into an online platform through computer tablets.

The stock taking , which has been going on for about three weeks now, is aimed at creating a online database of all rhino horns and elephant tusks held by the Kenya Wildlife Service (KWS) and other government agencies.

"We have been taking manual inventories of these stockpiles over the years. But this is special. It's the first time we are doing it digitally," explains Paul Muya, an information officer at KWS as he walks round the hall monitoring the activities.

He adds that the organisation, in partnership with Save the Elephants and Stop Ivory, has embarked on a one-off exercise aimed at migrating existing records about the stockpiles from manual files to a digital platform that will be centrally managed at the KWS head office.

Prof Judi Wakhungu, Cabinet Secretary of the Ministry of Environment and National resources said that once completed – in about a month – the digital inventory will form the basis for future national audits of the stockpiles as required by law.

> **Anti-poaching measures**
> - The shift to online stock taking is in line with the Wildlife Act, 2013
> - The law requires a stock pile audit to be done every year.
> - The new law also slaps stiff penalties on offenders, with fines of more than Sh20 million.

As per the 2013 Wildlife Act for instance, KWS is expected to conduct yearly audits of government held trophy stockpiles - such as ivories or rhino horns- and publish the results in the Kenya Gazette. The online platform is expected to facilitate this process. It will also make it easy for KWS to retrieve, share and manage huge volumes of information.

"The manual inventory proved a challenge as some of the records were prone to theft or damage especially after being stored for years," Mr Muya explained.

The inventory will also enable the country to fulfil its obligation to the Convention on International Trade in Endangered Species (CITES) which recommends that its state parties have appropriate inventories to properly manage ivory within their jurisdiction.

From the KWS online inventory database, authorised users will get information about the unique identification number of each elephant ivory or rhino horn as well as the location of their origins.

With the availability of all this information at the touch of a button, KWS will easily monitor trends and pinpoint locations where rhinos or elephants are at great risk of dying - through poaching, natural causes or human wildlife conflict - thus enabling the organisation to act accordingly.

The information being fed into the digital inventory includes photographic images and detailed physical attributes of the horns and ivories. The online platform is also capturing the weight and measurements of each of the trophies.

"By assessing the characteristics of the trophies like ivories, one can determine the age and gender of elephants that had them. And so we can tell the population dynamics of elephants targeted," explained Jim Nyamu, Executive Director of Elephant Neighbours Centre and a conservation research scientist.

As the inventory goes on, KWS scientists are also collecting DNA samples of the trophies which will be used in the creation of a DNA Reference Library aimed at profiling Kenya's population of rhinos and elephants. Nyamu stated that this information can provide evidence for use in prosecution of wildlife crimes.

"Authorities will be able to know the exact origin of each trophy and determine whether the affected rhinos or elephants are from Kenya or another country."

The stockpiles in government's possession are acquired when trophies are seized from poachers. The horns and ivories may also originate from rhinos or elephants that die a natural death or are killed due to human-wildlife conflict.

Without a proper inventory system, these stockpiles become susceptible to leakages, making it easy for unscrupulous individuals to sneak out elephant ivory and rhino horns for sale in the black market. In certain instances, some may proceed to cover their tusks by killing other elephants or rhinos to replenish the stock of trophies they sold thus dealing a major blow at conservation efforts aimed at protecting these vulnerable species.

In March President Uhuru Kenyatta set fire to 15 tonnes of elephant ivory estimated to be worth approximately Sh3 billion ($30 million) in the illegal black market. He promise to further destroy more government-held stocks of ivory, rhino horns and other trophies by the end of this year.

**Posing a threat**

Mr Muya said the digital inventory will guide this process. "Once we have determined the quantity of stockpiles we have in the country a decision will be made on the amount to be destroyed and the few to be left behind for research and conservation education purposes."

Dr Richard Leakey, chairman of the KWS Board of Trustees stated that aside from creating public awareness on the ill effects of poaching, such public destruction of trophies also sends a message that trophies are worthless.

"They should only be seen as valuable when on an animal."

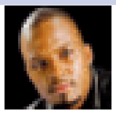
Wildlife safaris are major drivers to the tourism industry which contributes immensely to Kenya's gross domestic product. But poaching is now posing a threat to this profitable sector.

Already African elephants and rhinos are listed as threatened species with the risk of becoming extinct if the problem of poaching remains unresolved. The poaching surge in the country and the entire sub-Saharan Africa is mainly driven by the huge demand for ivory and rhino horns in Asia, where they are use in folk medicine and curving industry.

In a bid to curb the illegal trade, the government last year enacted a new law, slapping stiff penalties – life imprisonment and a fine of more than Sh20 million - to dealers in illegal animal trophies.

*sarahooko@gmail.com*

Technology
MBUGUA NJIHIA



Establishing common threads that allow value to be extended is key to finding financiers for your venture. FOTOSEARCH

# How startups can connect to investor networks

A quick glance at the more prominent global investment communities, a filter for Africa-based startups will reveal a not-so surprising startup founder metric that has been the source of conversation among technology entrepreneurs. Broadly put, the ventures that have closed on decent rounds of funding with primary markets in Africa are almost all exclusively founded and led by expatriates often with a Delaware registration to boot. The online conversations have been primarily about race capital; whether it actually exists and generic formulas for "correcting" the current state of affairs.

I am of the opinion that you cannot dictated how one doles out resources available to them or the criteria that they apply to arrive at their decisions. You are the sum of your networks and many times you will extend a favour, credit line or other form of support to someone with whom you share a common thread, it's just human nature. And therein, lies the inadvertent solution; establishing common threads that allow for value to be extended.

Access to growth capital for post revenue companies with good structures exists in plenty with some pundit's arguing that there is over supply. It remains therefore that the up-line needs to be seeded with more companies with requisite runway and additional business support to ready them for growth capital should they need it.

Therefore, we must establish more afrocentric investment communities where three things can happen; first, a mapping of needs; second, an identification of possible partnerships and third, engagement.

Technology entrepreneur communities have been humming for a number of years now and anyone who wants to get on that train has numerous options from which to choose.

What we need to see grow, is the community of local investors, starting from the ground up; understanding of the lay of the land, simple nuances on expectations and risks, finally maturing into investment outfits that can over time, with well placed bets morph into companies that can take on much larger deal sizes.

The African Business Angels Network - ABAN was established last year with the coming together of networks based in Nigeria, Cameroon, Egypt, Ghana and South Africa with support from the more visible communities, Venture Capital for Africa (VC4A) and European Business Angel Network (EBAN).

The Kenyan cohort is holding its first angel investor boot camp today and I will share those insights post meetup.

Africa abounds with opportunity and we must scratch our own itch even as we celebrate the possibilities.

**Mbugua Njihia** *is CEO of Symbiotic | www.mbuguanjihia.com | @mbuguanjihia*

# Hackers steal secrets, make up to

**CYBER CRIME** American prosecutors charge nine people, including Ukranians, over the theft

Tech Talk
REUTERS

A group of mainly US-based stock traders and computer hackers in Ukraine made as much as $100 million (Sh10 billion) in illegal profits over five years by conspiring to use information stolen from thousands of corporate Press statements before their public release, US authorities said on Tuesday.

Prosecutors announced charges against nine people in an insider-trading case that marks the first time criminal charges have been brought for a securities fraud scheme involving hacked inside information, in this instance 150,000 Press releases from distributors Business Wire, Marketwired and PR Newswire.

"This is the story of a traditional securities fraud scheme with a twist — one that employed a contemporary approach to a conventional crime," Diego Rodriguez, FBI assistant director-in-charge, said at a news conference.

Prosecutors said the Ukraine-based hackers, who were given "shopping lists" of press releases by the traders, improperly accessed press statements before the distributors planned to release them to the public.

The hackers created a "video tutorial" to help traders see the stolen releases and were paid a portion of the profits from trades based on the information in them, prosecutors said.

The nine people were indicted by grand juries in Brooklyn, New York, and Newark, New Jersey, on charges that they made $30 million (Sh3 billion) in illegal profits starting around February 2010.

Five were arrested on Tuesday. International arrest warrants were issued for the other four.

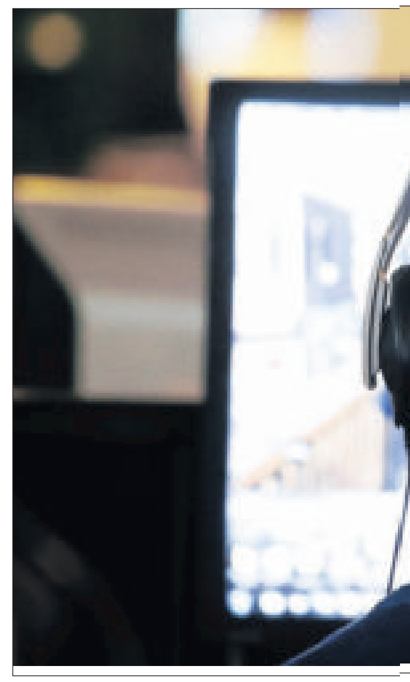
The US Securities and Exchange Commission in a related civil lawsuit charged 17 people and 15 corporate entities, and said that thefts of inside information resulted in more than $100 million in illegal profit.

> This is the story of a traditional securities fraud scheme with a twist — one that employed a contemporary approach to a conventional crime
>
> DIEGO RODRIGUEZ, TOP FBI OFFICIAL

The SEC said the network included traders in New York, Cyprus, France, Malta and Russia. It is seeking civil penalties, and has already obtained court-ordered asset freezes.

Law enforcement officials have warned companies for years about securing their computer networks against hackers, whose victims over the past two years have included leading retailers and US government personnel.

"This case illustrates how cyber criminals and those who commit securities fraud are evolving and becoming more sophisticated," U.S. Attorney Paul Fishman in New Jersey said at the news conference. "The hackers were relentless and they were patient." Fishman said the distributors,



**A developer works on a video game. Law enforcement officials have warned companies for years about securing their computer networks against hackers, whose victims over the past two years have included leading retailers and US government personnel.** FILE

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# Tech bytes

### Firm seeks to fill information void left after digital TV switch over

Roamtech, a mobile content service provider is targeting Kenyans with a personalised news bulletins accessed through subscription.

The firm intends to partner with local broadcasters to offer subscribers audio news bulletins and breaking news services. Unlike what is currently available in the market, where subscribers mainly receive SMS alerts for breaking news, Roamtech is providing audio links.

To access the audio messages, subscribers will pay Sh3 per message and they will also need to have connection to Internet or minimal data.

Shaun Morgan, the CEO Roamtech said subscribers will receive three audio news bulletins each day Monday to Friday - 9am, 12pm, and 5pm. They will also receive breaking news text messages throughout the day Monday to Sunday - as and when the major stories break.

"News 24/7 allows you to get news when you want it, where you want it. We are creating a personalised experience with news content - allowing people to listen when they want Keeping people up to date. The impact of the recent analogue TV signal switch off, means that less Kenyans are able to access news on TV (especially outside major cities)," said Mr Morgan in a statement.

"News247 will aim to start a
audiences and fill the void le
over, keeping people inform
habit through the mobile."

Mr Morgan added that deliv
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"We know that since the ana
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### Airtel Kenya joins oth call for innovative Ke

Airtel Kenya, UP Magazine a
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ns.
extreme vigilance and commit-
events illustrate that no one is

immune to the highly sophisticated illegal cyber-intrusions that are plaguing every aspect of our society," it said in a statement.

PR Newswire, a unit of Britain's UBM Plc, said it also takes security very seriously, while Marketwired said it is protected by world-class security, monitoring and prevention practices.

The indictments said the news releases included sensitive corporate information such as financial results that would later become public. Foreign shell companies were used to share the money made from the insider trading, officials said.

"The traders were market-savvy, using equities, options and contracts for differences to maximize their profits," SEC Chair Mary Jo White said at the news conference.

Authorities said the scheme involved trades on such companies as Acme Packet Inc, Align Technology Inc, Caterpillar Inc, Dealertrack Technologies Inc, Dendreon Corp, Edwards Lifesciences Corp, Hewlett-Packard Co, Home Depot Inc and Panera Bread Co. The indictment in Brooklyn charged four traders: Vitaly Korchevsky, 50, a former hedge fund manager from Pennsylvania; Vladislav Khalupsky, 45, of Brooklyn and Odessa, Ukraine; and Leonid Momotok, 47, and Alexander Garkusha, 47, of the US state of Georgia.

The charges included securities fraud, wire fraud and money laundering conspiracy.

Korchevsky appeared without a lawyer in federal court in Philadelphia. He was released on a $100,000 bond and told to surrender his passport, but later on Tuesday, a judge in Brooklyn stayed his release order, authorizing law enforcement to keep him in custody until a bail hearing can be held in Brooklyn.

**Sensitive news**

A prosecutor told the court that Korchevsky was a flight risk with $5 million (Sh500 million) at his disposal and that he had travelled abroad 42 times since 2010.

Korchevsky's wife told the judge that 99 per cent of her husband's travel was in his role as a pastor.

The indictment made public in New Jersey charged Ivan Turchynov, 27, and Oleksandr Ieremenko, 24, alleged hackers who live in Ukraine; Pavel Dubovoy, 32, a trader from Ukraine; and Arkadiy Dubovoy, 51, and his son Igor Dubovoy, 28, traders from Georgia.

Arkadiy Dubovoy and Igor Dubovoy appeared in federal court in Atlanta, while Momotok and Garkusha made court appearances in nearby Gainesville. All four were scheduled to be in court again on Thursday.

One indictment quotes online chats in which Ieremenko told Turchynov on March 25, 2012, that he had "bruted" the log-in credentials of 15 Business Wire employees, and told an unidentified recipient in Russian on Oct 10, 2012, that "I'm hacking prnewswire.com."

SEC investigators found the traders by using technology that identified both suspicious trading and relationships among traders, White told reporters.

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**Kenyan designers**

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seek to elevate 'design'
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mportance of design as a

vital tool towards shaping a sustainable, functional and aesthetically pleasing world. Through the programme and a monthly campaign that will run through November 2015, DXD will seek to increase national awareness of the importance of design by educating the public and promoting excellence, innovation and lasting achievement.

**Airtel Kenya CEO Adil EL Youssefi.** FILE

The ultimate challenge to local designers envisioned by DXD 2015, is to look at solving (or 'disrupting') legacy problems in Kenya using design-based thinking; the ultimate goal is to award those solutions that are truly improving the lives of Kenyans in some way.

"This partnership creates a unique platform to recognise and reward local changemakers and innovators, giving them the opportunity to showcase their skills which will help make positive and sustainable change beyond the Kenyan borders," said Airtel Kenya CEO Adil El Youssefi.

Disruption by Design2015 is a competition for designers and game-changing innovators seeking recognition for the impact of their work in their field of design. The awards and the website (www.dxd.co.ke) are also a platform for people to present their work to the world, nominate others and to showcase cool, innovative and above all disruptive ideas that can provide solutions to everyday problems facing Kenyans today.

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Tech in action
**BY OKUTTAH MARK**

# Dimensions Data targets financial services sector with automated appraisal tool

Dimension Data, a South African company specialising in information technology services is targeting the financial sector with an automated Human Resource platform that it says can be used by mangers to keep track of the execution of activities by the staff within their control and to monitor the consequences arising from these actions.

The balanced scorecard (BSC) is a strategy performance management tool - a semi-standard structured report, supported by design methods and automation tools.

Hasmukh Chudasama, practice manager, End User Computing, Dimension Data East Africa said managers for a long time have been faced with the challenge of measuring business value of their human resource arm in the organisation.

He added that this challenge has become imminent especially with the existence of manual appraisal systems within structures of these organisations. Cooperative Bank of Kenya is one of the financial institutions that has already adopted the platform .

Mr Chudasama noted that the absence of a clear structure of measuring employee performance may be detrimental to how an organisation performs especially with every twist in the economy. The result, he added, is that managers might not be in a position to prove their value to shareholders.

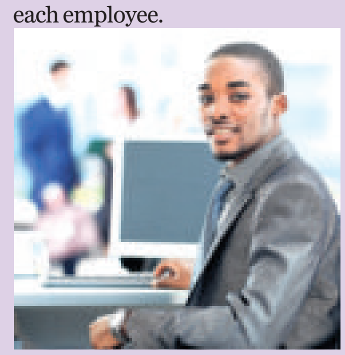
"With the consummerisation of IT, clients want to make use of each and every bit of their electronic content, save on cost and increase their efficiency", said Chudasama, "We have packaged our solutions for the verticalised market segments that will enable organisations realise their vision towards paperless office environments."

With a workforce of close to 5000 employees spread across the country, Cooperative Bank of Kenya had a manual appraisal process that was time-consuming and repetitive resulting in reduced productivity across the organisation.

The bank noticed the need to innovate around its human resource appraisal structure and opted for the BSC methodology by Dimension Data Solutions.

This project enabled Cooperative Bank employees to easily collaborate with each other during the appraisal process since everything was done on Microsoft SharePoint 2013 platform. It also cut the need for teams to travel to the head office for meetings with team leaders, reviewers and HR heads.

Michael Mbuthia, who heads the IT Risks & Control at Cooperative Bank said the bank has saved on printing costs which required up to 10 pages for the appraisal of each employee.



**Dimension Data's BSC tool makes it possible to appraise workers at the click of a keyboard button.** FOTOSEARCH

## blog of the week

***https://www.blogs.worldbank.org***

A global desk review and case studies in seven African countries (Kenya, Uganda, Tanzania, Senegal, Benin, Niger and Liberia), provides evidence on how ICT can be used to leapfrog the water and sanitation sector towards more sustainable service delivery.

Among other benefits, ICT can contribute to strengthening the sustainability of the water and sanitation systems, raising consumers' voices and improving services to the poor.

Mobile phones, especially, are particularly well placed to serve the development needs of the poorest and most vulnerable populations. They represent a widespread and relatively low-cost communication option for rapid information transfer and service facilitation whilst eliminating prevalent issues of distance and time.

**NOTE:** *Blog quotes in this section are edited and do not in any way represent the views of this newspaper or its editors.*

**GADGETS** If you are going to do a lot of sports photography, the 1 V3 will be of great help

# Nikon 1 V3: Small camera that shoots great pictures

Nikon's 1 series of mirrorless interchangeable lens camera (MILC) recently gained a new flagship — the Nikon 1 V3. This camera replaces the 1 V2. There are a few changes in the form of an upgraded design and beefed up specs.

The Nikon 1 V3 loses the EVF to make the camera more pocketable. Furthermore, the one-inch CMOS sensor on the 1 V3 (with a crop factor of 2.7x) can now shoot 18.4-megapixel images compared to the 14-megapixel sensor on the predecessors.

Other improvements include faster shooting speeds in burst mode and the inclusion of Wi-Fi connectivity to smartphones and tablets. Let's find out if these changes make any difference.

### Design

The Nikon 1 V3 is a compact MILC that can be easily slipped into a jacket pocket even with the bundled lens attached. The hand grip is now much smaller and there is no EVF, but there are official external attachments which are available at a cost.

However, with the battery and memory card inserted, and without the lens, the 1 V3 weighs 324g. The copious use of metal in the form of magnesium alloy and aluminium probably adds to the weight, but it definitely makes the unit feel sturdy.

The front of the camera has the neatly cut-out lens mount with a repositioned mark; the white dot or mounting mark is now at 12 o'clock instead of the more standard 2 o'clock position. A lens release button is present to the right of this mount.

There is a new addition in the form of a sub-command dial which is right next to the lens mount. It is placed ergonomically and comes in handy when you wants to change aperture settings quickly.

The variangle-LCD takes up most of the rear of the 1 V3. Unfortunately for selfie lovers, the LCD only tilts 90 degrees upwards. The self-explanatory playback, menu, display, and delete buttons are present in a line to the left of the display. The multi-selector scroll wheel, feature button, and Function 1 button are all present on the right side of the display.

### Specifications and software

As we stated, the 1 V3 has an 18.4-megapixel 1-inch CMOS sensor with a crop factor of 2.7x. What this means is that the bundled 10-30mm lens (with in-built image stabilisation) is equivalent to a 28-80mm lens on a 35mm camera.

Also, Nikon has decided to remove the anti-aliasing (AA) filter, which could have helped in suppressing the moire in the image. However, the exclusion of the AA filter means that the camera can capture more details.

The lens can go up to ISO 12800 sensitivity. Also, users have the option of limiting the maximum ISO to 800, 3200, or 6400 in the auto-ISO setting. The 1 V3 can shoot both RAW and jpeg images.

The USP of the 1 V3 is that it can shoot 60fps video with a preset focus and 20fps with continuous autofocus. This is unmatched by any other mirrorless camera. It can also shoot 1080p video at 60fps, and Nikon has included the option to shoot 120fps slow-motion videos at 720p.

### Performance

Before we get down to the details about the picture clarity and colour reproduction of our sample images in various conditions, we want to highlight how Nikon has created a speed monster with the 1 V3. With a prefixed focus, the camera can shoot images at 60fps which is mind blowing. In fact, you have to actually use it to understand the sheer power of the system. If you are going to do a lot of sports photography, the 1 V3 will be of great help. What's better is that it does so without losing fidelity.

**Hi-tech**

- The camera is more pocketable.
- It can shoot 18.4-megapixel images compared to the 14-megapixel sensor on the predecessors.
- Other improvements include faster shooting speeds and the inclusion of Wi-Fi connectivity to smartphones and tablets.


## Gadget reviews

### Samsung launches J5 and J7 smartphone

Samsung Electronics has launched two mid-range 4G enabled smartphones targeting heavy Internet users.
Galaxy J7 and Galaxy J5 retail at Sh27, 000 and Sh21, 000 respectively. The launch comes hot on the heels of the unvelling of Galaxy J1 early in the year, which the vendor said targeted the youths. In Kenya, only Safaricom has commercialised its 4G Technology in some parts of Nairobi and Mombasa. The industry regulator has given Airtel and Telkom's Kenya Orange a nod by to start testing the technology.
Techno and Wiko have also launched 4G enabled handsets.

### Acer unveils three laptop brands

Acer has launched three new laptop brands this week; Acer Aspire E5-573, Aspire V Nitro, and Aspire R13 Notebook .
The Acer Aspire E5-573 is available in two sizes; 4-inch and 15.6-inch. The device sports a textile-pattern on the cover which is made using 3D scanning of fabrics. The laptop runs on the fifth generation Intel Core processor. The device can support up to 16GB RAM and up to 1TB of hard disk storage.
The laptop is Skype certified and sports the company's home-made TrueHarmony audio tech, which has been optimised for use with the Windows 10's virtual voice-based assistant, Cortana. Also included is the BlueLight-Shield feature which lessens eye strain.

### Strontium Nitro Plus USB

Strontium seems to have jumped into mobile storage in a big way. After our encounter with the Nitro iDrive for iOS, the company brought our attention to a couple of products aimed at Android devices which support USB On-The-Go. We've seen flash drives with Micro-USB connectors before, but we haven't seen an external card reader. An increasing number of Android smartphones do not allow storage expansion, and some older ones don't support high-capacity microSD cards. Putting new data onto a card and sharing large files with others is sometimes a pain, requiring you to take your phone apart and pull out its battery or plug your phone into a PC.
USB-OTG can come in handy in some of those situations. While a flash drive sticking out of your phone is no substitute for a tiny microSD card, it can be really handy.

## Tech Demystified

# Bitpesa takes transactions in bitcoins to Kenya, Tanzania clients

BY SANDRA CHAO-BLASTO

Most people do not know that it is possible to use Bitcoins in all online transactions and have the money deposited straight into your mobile wallet.
Bitcoins are a form of digital currency, technically referred to as cryptocurrency, in which encryption techniques are used to regulate the generation of units of currency and verify the transfer of funds.
Some online trading sites exclusively use bitcoins to make their products appealing globally, but this requires one to buy them from a digital foreign exchange before shopping.
The value or exchange rate of bitcoins is mostly determined by market demand and not by any central bank.

### A viable option

While trading in cryptocurrency has been easier in Western countries where the purchase and sell is much easier, bitcoins are becoming a viable option for people in the diaspora to make remittances to relatives and businesses within the country. Bitpesa, for instance, is a platform that allows one to trade bitcoins for Kenyan or Tanzanian shillings. Bitpesa also allows individuals to buy the currencies for online shopping.
To use the platform, one must register with using their email address which helps to create a virtual wallet.
The registration requires one to upload a scanned copy of one's identification card or passport. This is a much safer option for those cautious about using their credit cards to pay for online transactions as the wallet is only loaded with bitcoins which match the value of transactions.

### Be careful

Bitpesa allows you to buy bitcoins directly with your M-Pesa account.
In Tanzania, the platform has enlisted almost all mobile money operators.
When you receive bitcoins from abroad, sent via the platform, they are forwarded directly to your mobile money platform in the form of local currency. A notification will be sent to your email. Your mobile money platform should be able to give an SMS alert of the account being credited.
All transaction will cost you three per cent of the goods purchase amount.
The downside is that few cryptocurrency transactions are traceable and most are not reversible, so you really have to be careful when filling in the recipients details.

# MONEY & MARKETS

PRICES I RESULTS I DATA

## Foton showroom plot on sale for Sh1.2 billion

BY GEORGE NGIGI

Davies Motors has put on sale its 1.14-acre piece of land on Mombasa Road for Sh1.2 billion making it one of the priciest land transactions this year.

A three-storey building currently sits on the property with one of the occupants being Chinese motor company, Foton, who have a showroom on the ground floor. The top-floor has a gym associated with the land owners, Davies Motors. The rest of the land, one acre, has small workshops.

**Pricey property**

■ The 1.14-acre piece of land on Mombasa Road in Nairobi has a three-storey building with a gym and a small workshop on an acre.

Kenya Valuers and Estate Agents, who are contracted to conduct the sale note that development of a multi-storey building is ideal for the land.

The asking price for the land is equivalent to what the same agency is asking for a two-acre piece of land located at Second and Third Avenue on Ngong Road.

Foton said the sale would not affect their operations as they had a lease agreement running to the end of next year and expected any new owner to respect the arrangement.

"Foton owns a 10-acre plot at Mlolongo and we intend to move all our operations there so by end of our lease we will have made plans to move," said Foton Motors sales manager George Osewe.

# Yuan devaluation threatens industries, good for imports

**TRADE** Consumers to benefit from cheaper goods which could pile pressure on local manufacturers to make their products competitive

BY CHARLES MWANIKI

China's surprise move to devalue the yuan this week is a double-edged sword likely to hurt local manufacturers though reducing the cost of consumables.

Some analyst on top fear the devaluation may herald downturn of fortunes for the Orient economy that may cut project financing for Kenya and Africa.

China's move has seen the tightly controlled yuan fall by nearly four per cent to a three-year low against the dollar, putting stock markets around the world, commodity prices and emerging market currencies under pressure.

The cheaper China imports, while reducing expenses for Kenyan consumers, could pile pressure on an already growing current account balance recently driven by capital goods' imports rather than consumer goods now expected to become cheaper.

Analysts say there is likely to be ramifications for commodity-reliant African economies if the devaluation is a sign of an ailing Chinese economy.

"China's devaluation will bring on a two-pronged effect on the economy. First, cheaper imported goods from China will negatively affect the local manufacturing industry, adding pressure on industries to make their prices more competitive relative to imports, and in a scenario of greater imports, the country's current account balance is likely to be further affected," said Genghis capital analyst Vinita Kotedia.

"On the other hand, government

Standard gauge railway construction in Voi. KEVIN ODIT


revenues are likely to improve bearing in mind the new revision in import duties."

Due to Kenya's relatively underdeveloped manufacturing sector, the country imports from China goods such as electrical appliances, textiles and transport equipment.

Kenya National Bureau of Statistics data shows that the value of China's exports to Kenya for the first four months of this year rose to Sh93.6 billion from Sh63.6 billion in a similar period last year.

India, which has been the largest seller of goods to the local market since 2011, was second on Sh80.6 billion, down from Sh84.5 billion last year.

According to CfC Stanbic economist Jibran Qureishi, the effects of the devaluation of the yuan would eventually have an impact on Kenya, though not straight away.

"Countries like Zambia (copper) and Angola and Nigeria may stand to lose a lot more than us as it will effectively become more expensive for China to buy their commodities and dent their export earnings," said Mr Qureishi. "Arguably, tourism from China as a source market has risen in recent years, but this isn't likely to sway either way given insecurity concerns we have been facing."

In terms of non-trade finance, Kenya benefits heavily from Chinese funding of infrastructure projects, such as the standard gauge railway and construction of roads.

Mr Qureishi, however, said the long-term concern not only for Kenya but for Africa would be that China's appetite for infrastructure projects in the region would soon decline.

Ms Kotedia said Kenya is likely to benefit from the devaluation as interest payments on any yuan-denominated concessionary loans would become cheaper with a weaker Beijing currency.

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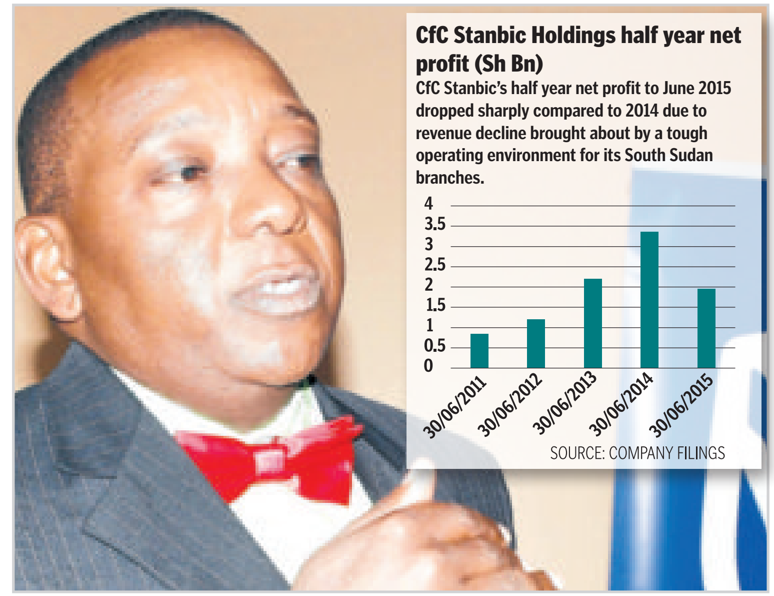


Nkoregamba Mwebesa, CfC Stanbic Bank chief executive. Brokerage firm SBG Securities has reported a drop in its six-month profit. FILE

# SBG Securities links dip in profit to capital gains tax and volatile shilling

BY JOHN GACHIRI

CfC Stanbic Bank's brokerage business has reported a dip in the six-month profit attributed to capital gains tax and the volatile shilling, signalling poor fortunes for other market intermediaries.

SBG Securities posted net profits of Sh126 million from Sh135 million, representing a seven per cent drop.

Total income which is mostly made up of brokerage commissions, advisory fees and profits from investments also declined slightly to Sh315 million from Sh343 million or an eight per cent drop.

CfC Stanbic Bank chief executive Nkoregamba Mwebesa said the tax and currency volatility were the main causes of the lacklustre performance.

"As to why the markets are underperforming, for the first quarter of the year the uncertainty around the implementation of capital gains tax affected market activity, and we have also seen erosion of returns from the weakening shilling to the US dollar.

"We have also seen dampened activity from many of our foreign investors, and a risk-off from our institutional investors," said Mr Mwebesa during CfC Stanbic's briefing on their first half results.

> "We have seen dampened activity from many of our foreign investors, and a risk-off from our institutional investors
>
> NKOREGAMBA MWEBESA
> CFC STANBIC BANK CHIEF EXECUTIVE

The Treasury introduced a five per cent tax on gains from selling stocks and bonds in 2014 which will be replaced by a 0.3 per cent withholding on gross value of the transaction next January.

In the meantime, the Kenya Revenue Authority (KRA) has asked brokers to the collect capital gains tax.

Since the beginning of the year the Nairobi Securities Exchange (NSE) 20 Share Index has lost 12 per cent and wiped out Sh135 billion in shareholder value along the way, reducing trading commissions.

Rising interest rates are also expected to see investors go to short-term securities such as Treasury bills, which will hurt the stock market.

"In the second half of the period we saw an increase in interest rates redirect flows to the money markets," added Mr Mwebesa.

Another firm that has released half year results is Equity Investment Bank whose net profit increased to Sh109 million from Sh11.2 million posted in 2014, a near tenfold rise.

The broker's rapid growth came after the bank went on a talent poaching spree in late 2014 and from mega trades by Helios which sold out its Equity Bank stake.

Data on stockbroker trade volumes for the six months to June, compiled by the NSE, shows that trades worth Sh106.56 billion were made in the first six months of 2015.

# Kenya Re profit 20pc up as it eyes oil

**PERFORMANCE**

## Listed reinsurer posts a Sh1.5bn net profit, up from Sh1.2bn in 2014

**BY GEORGE NGIGI**

Kenya Reinsurance Corporation (Kenya Re) yesterday announced a 20 per cent growth in half-year net profit on the back of rising premiums which it seeks to further increase through the lucrative oil and gas sector.

The listed reinsurer reported a Sh1.5 billion after-tax profit, up from Sh1.24 billion in a similar period last year. Its gross written premiums grew by 26.5 per cent to Sh6.2 billion driven mainly by contribution from overseas markets which produced more than half its underwriting business.

"This growth was achieved due to aggressive marketing efforts in the international market where there is bigger growth opportunities," said chief executive Jadiah Mwarania.

The reinsurer said it is building capacity and expertise in the nascent oil and gas sector in the country. Mr Mwarania said his firm currently has a capacity of Sh300 million per risk.

Kenya Re managing director Jadiah Mwarania during the release of the firm's half-year results at the Hilton Hotel in Nairobi yesterday. SALATON NJAU

The Shariah compliant Re-Takaful business was a key driver of the business with the reinsurer having collected an estimated Sh100 million through the product in the period.

Kenya Re is also setting up a subsidiary in Zambia to help it serve the southern Africa markets. The reinsurer in addition operates a subsidiary in Ivory Coast which serves the West African and Francophone markets.

The company has a business presence in more than 62 countries and reinsure 265 insurance companies in Africa, Middle East and Asia. Contribution by markets abroad has been growing to exceed the 50 per cent mark from 46 per cent in 2013 and 38 per cent five years earlier.

The company said it is yet to start benefiting from the recent increase in the mandatory business which insurers must cede as, change was done after most treaties were renewed. The government now requires all insurers to book 20 per cent of their reinsurance business with Kenya Re up from the previous 18 per cent.

The reinsurer's claims rose by 29 per cent to Sh2.1 billion.

Mr Mwarania noted the company was managing its claims by checking the business that it took, especially from high-risk classes such as medical. Under medical, the reinsurer has a loss participation clause that requires the insurer to bear some of the loss when the claims exceed a specified mark, mostly 80 per cent.

Kenya Re's investment income grew by six per cent to Sh1.43 billion from Sh1.33 billion riding on capital gains from equities and interest from fixed-income instruments and rent.

The management said it was getting an average of 11 per cent return on government securities and fixed cash savings held by banks.

The reinsurer had Sh8.7 billion invested in Treasury bills and bonds and Sh6.9 billion held in banks.

Kenya Re indicated its equities portfolio shrunk by Sh13.4 per cent to Sh2.8 billion following a slump at the Nairobi Securities Exchange.

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# Shilling steady, seen supported by liquidity crunch

The Kenyan shilling was steady on Wednesday and traders said it was likely to firm in the days ahead because a prevailing liquidity crunch could be worsened by companies using the local currency to pay taxes.

At 0740 GMT, commercial banks posted the shilling at 100.90/101.00, unchanged from the previous day's close. The shilling, which is down 10 percent against the dollar this year, has been stable this week on the back of a shortage of the local currency in the domestic money markets.

"The shilling should be trading stronger," said a trader with a leading commercial bank, citing sluggish trading on the interbank and absence of demand for dollars by importers.

"Customers are standing aside hoping to buy at lower levels. Next week they will start holding their shillings to pay mid-month taxes so the shilling will be supported," he said.

The weighted average overnight interest rate for banks rose to 23.5842 per cent on Tuesday from 23.0308 per cent the previous day.

**- REUTERS**



# Investors shrug off Co-op Bank 32pc net profit rise

**BY JOHN GACHIRI**

Co-operative Bank stock rose slightly to Sh19.60 from Sh19.50 or 0.5 per cent despite reporting the largest Tier I bank half-year growth.

The lender's net profit for the first six months of 2015 stood at Sh6.2 billion, up from Sh4.7 billion reported in a similar period last year, representing a 32 per cent increase.

The stock touched an intra-day high of Sh20 in yesterday trading however.

Industry players said the lukewarm response was a reflection of the entire market which has been on a downward trend since the beginning of the year though now showing signs of recovery.

African Alliance Investment Bank chief executive Alistair Gould said investment and pension funds are showing more interest in Treasury bills and similar securities while foreign investors are cashing out on fears that the shilling may weaken further.

Co-op Bank boss Gideon Muriuki (left) with Nairobi Securities Exchange CEO Jeff Andudo during the lender's investor briefing at the New Stanley Hotel in Nairobi yesterday. WILLIAM OERI

"The market recovered slightly from some recent lows we saw on a few stocks though the volumes are still not very convincing and it is likely that we will see some more weakness as this quarter unfolds.

"Local institutions remain more focused on cash investments while foreign investors remain concerned over valuations and currency," he said.

CfC Stanbic Bank, which also announced its half-year results on Tuesday, saw its stock price close at Sh93.50 from Sh101, an eight per cent drop. The lender's net profit stood at Sh1.69 billion from Sh3.03 billion over the same period, a 44 per cent drop.

The Nairobi Securities Exchange 20 Share Index closed at 4,499.06 points yesterday. The benchmark index closed at 5,117.43 points on the first trading day of 2015, meaning it has now dropped 12 per cent.

Market capitalisation stood at Sh2.165 trillion from Tuesday's Sh2.169 trillion while turnover dropped to Sh246.5 million from Sh978 million.

**OUTLOOK** Weak data in key sectors slows Asian giant's prospects of achieving 7pc growth target

# China economic growth falters in July as exports dip

Growth in China's factory output, investment and retail sales were all weaker than expected in July, adding pressure on Beijing to roll out more measures to prevent a deeper slowdown, days after it shocked markets by devaluing its currency.

While the central bank insisted yesterday it would not let the yuan slide too far, the devaluation came days after data showed a hefty drop in exports and producer prices, which clearly weighed on Chinese manufacturers last month.

Nearly all data released for July was weaker than economists had forecast, pointing to further deterioration in the world's second-largest economy. Data for June had fuelled some hopes that activity was stabilising after policymakers unleashed the biggest burst of stimulus since the global financial crisis.

"This kind of data will only accentuate the negative outlook that everyone has about the economy," said Louis Kuijs, China economist at Royal Bank of Scotland in Hong Kong.

"Many people were expecting an improvement and there is no improvement. Things are getting worse rather than getting better. This kind of data makes it really challenging to achieve the official seven per cent growth (target) this year."

> "This kind of data will only accentuate the negative outlook that everyone has about the economy
>
> LOUIS KUIJS, ECONOMIST

Factory output rose six per cent in July from a year earlier, slowing from June's 6.8 per cent rise and hitting a three-month low. Economists had expected a 6.6 per cent rise.

Fixed-asset investment, a crucial driver of the world's second-largest economy, also disappointed, rising 11.2 percent in the first seven months compared with the year-ago period, the weakest pace in nearly 15 years, the National Bureau of Statistics showed yesterday.

Markets had expected an 11.5 per cent rise, which would have been a slight improvement from June and put the outlook for the second-half of the year on somewhat more solid footing.

Property investment growth cooled to 4.3 per cent, the weakest since March 2009, despite a pick-up in housing sales.

The investment figure is being closely watched as the government tries to quicken infrastructure spending to shore up growth.

Retail sales rose 10.5 per cent in July from the same time last year, slightly below forecasts for 10.6 per cent growth, which would have been even with June's reading. Auto sales fell 7.1 per cent even as carmakers slashed prices and offered sweeter incentives.

**A delivery man in his truck in Beijing yesterday. China cut the yuan's value against the US dollar for the second consecutive day yesterday, roiling global financial markets and driving expectations the currency could be set for further falls.** AFP

The sluggish activity figures followed disappointing trade and inflation readings earlier this month that showed persistent weakness in the economy despite repeated stimulus measures.

The central bank has repeatedly cut interest rates and banks' reserve requirement to boost credit and lower borrowing costs, and further policy easing is widely expected to avert a sharper slowdown.

If conditions do not improve soon, growth could fall below 6.5 per cent in the current quarter, from seven per cent in the second quarter, ANZ economists said in a note.

Some economists believe China's economy is already growing only half as fast as official data shows, or even less.

On Tuesday, the People's Bank of China shocked global markets by devaluing the yuan by nearly two per cent, a move it billed as a free-market reform but which some suspect could be the beginning of an engineered, longer-term depreciation of the exchange rate to boost ailing exports.

The yuan fell further yesterday, taking its two-day losses to more than four per cent at one point.

**- REUTERS**

# Oil prices drop further as yuan falls to four-year low

Crude oil prices continued to fall yesterday as China allowed its currency to drop for a second day, triggering concerns over its economic health just as oil production hit multi-year highs.

China's yuan hit a four-year low yesterday, slipping further a day after authorities devalued it to support its struggling economy.

Analysts noted that China's overall currency fall was relatively low by historical standards in foreign exchange markets, but were quick to add that China's case was different.

"It is China – the largest consumer of most commodities and a large producer of many – and it's the yuan, which rarely moves much against the US-dollar and when it does, it traditionally appreciates not depreciates," Australian bank Macquarie said in a note to clients.

Tuesday's fall in the yuan against the dollar was the biggest in 20 years, it added.

Analysts said they expected China's government to intervene further to stimulate growth as its industrial output growth continued to slow.

"We believe the government will continue to ease policy to stabilise sluggish aggregate demand growth," Morgan Stanley said, adding that it expected another interest rate cut towards the end of the third quarter this year.

A lower yuan erodes Chinese purchasing power for dollar-denominated imports like oil, potentially hitting fuel demand.

US crude futures CLc1 were at $42.99 per barrel at 0620 GMT, down nine cents from their last close which marked its lowest settlement since March 2009.

Brent futures LCOc1 were down 26 cents at $48.92, more than 25 per cent below their last peak in May.

**Glut in the market**

- OPEC produced 31.51m barrels per day (bpd) in July - 1.5m bpd more than its 30-million-bpd target
- Brent futures dropped 26 cents at $48.92, more than 25 per cent below their last peak in May.

"The Chinese yuan continues to weaken for the second day which could suggest further weakening of oil prices," Singapore-based brokerage Phillip Futures said.

"On top of this, OPEC's August 2015 report shows slightly increasing production."

The Organisation of the Petroleum Exporting Countries (OPEC) said on Tuesday that its members continued to boost supplies.

According to secondary sources cited by the report, OPEC produced 31.51 million barrels per day (bpd) in July - 1.5 million bpd more than its 30-million-bpd target.

OPEC also raised its forecast of oil supplies from non-member countries in 2015, and the group forecast no extra demand for its crude oil this year.

**- REUTERS**

# Uganda shilling firms after central bank suspends dollar purchases

The Ugandan shilling strengthened yesterday after the central bank suspended its daily dollar purchases and traders said hard currency inflows from investors seeking government debt could spur further gains.

At 0847 GMT commercial banks quoted the shilling at 3,525/3,535, stronger than Tuesday's close of 3,545/3,555.

"We've seen some gains after the central bank announced their pause in daily purchases," said a trader with a leading commercial bank.

Bank of Uganda (BoU) announced yesterday it would not conduct its routine daily purchases of dollars, which it uses to build up it's foreign exchange reserves.

BoU, which buys about $5 million (Sh500 million) from the interbank foreign exchange market daily, has in the past briefly suspended its activity of buying dollars when the shilling has come under pressure.

### Second hike in a row

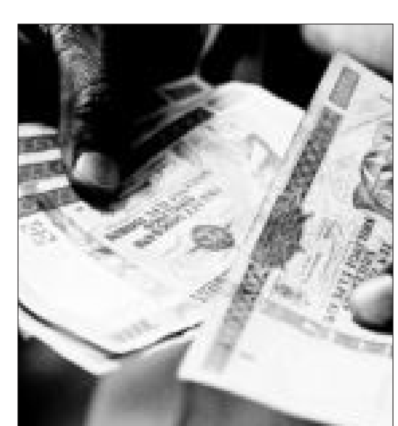
The local currency has lost 21.7 percent of its value so far this year and the sharp depreciation prompted BoU to hike its policy rate on Monday by 150 basis points to 16 per cent, the second similar hike in a row.

The trader said the policy tightening was expected to spur a surge in interest rates on Ugandan debt. Interest rates on Uganda's Treasury bills and bonds have already been upward in recent months, tracking BoU's policy tightening stance.

"We think gradually we should see a strong rebound in foreign investors coming in and possibly extra gains for the unit (shilling)," said the trader.

Offshore investors have to convert hard currency to purchase Ugandan debt which is denominated in local currency.

On Wednesday, BoU was expected to release results of a Treasury auction worth 180 billion shillings ($51 million) in which bonds of two and fifteen-year tenors were on offer. **- REUTERS**



**Uganda currency notes. The currency has lost 21.7 percent of its value so far this year.** FILE

# MARKET DATA

## Agro Commodities Market

Early Morning wholesale commodity prices Date 12-08-2015

| COMMODITY | Unit | Kg | Nairobi | Mombasa | Kisumu | Nakuru | Eldoret |
|---|---|---|---|---|---|---|---|
| **CEREAL** | | | | | | | |
| Dry Maize | Bag | 90 | 2900 | 3000 | 3200 | 2600 | 2800 |
| Green Maize | Ext Bag | 115 | 1800 | 6000 | 2200 | 1600 | 900 |
| Finger Millet | Bag | 90 | 7100 | 7200 | 7200 | 5800 | 6750 |
| Sorghum | Bag | 90 | 3500 | 3600 | 3200 | 2700 | 4950 |
| Wheat | Bag | 90 | 4000 | | | | 3300 |
| **LEGUMES** | | | | | | | |
| Beans Canadian | Bag | 90 | 5800 | | 7200 | 5800 | |
| Beans Rosecoco | Bag | 90 | 5700 | 5700 | 6800 | 5800 | 5400 |
| Beans Mwitemania | Bag | 90 | 5800 | 5200 | | 4500 | 5400 |
| Mwezi Moja | Bag | 90 | 5600 | | | 4500 | |
| Dolichos (Njahi) | Bag | 90 | 12000 | 11700 | | 10800 | 9000 |
| Green Gram | Bag | 90 | 10500 | 9900 | 10000 | 8100 | 9000 |
| Cowpeas | Bag | 90 | 7200 | 5400 | 8000 | 7200 | 4050 |
| Fresh Peas | Bag | 51 | 1800 | 1700 | 2800 | 2200 | 1530 |
| Groundnuts | Bag | 110 | 13000 | 14400 | 9600 | 13700 | 11250 |
| **ROOTS & TUBERS** | | | | | | | |
| Red Irish Potatoes | Bag | 50 | 1700 | 1700 | 2200 | | 1000 |
| White Irish Potatoes | Bag | 50 | 1600 | 2200 | 2200 | 1600 | 800 |
| Cassava Fresh | Bag | 99 | 2000 | 1700 | 2100 | | |
| Sweet Potatoes | Bag | 98 | 3400 | 2950 | 2500 | 2500 | 1800 |
| **VEGETABLES** | | | | | | | |
| Cabbages | Ext Bag | 126 | 1500 | 1900 | 1000 | | 1400 |
| Cooking Bananas | Med Bunch | 22 | 520 | 900 | 300 | 350 | 900 |
| Kales | Bag | 50 | 1100 | 1000 | 1200 | 800 | 600 |
| Carrots | Ext Bag | 138 | 2400 | 2800 | 3500 | 2200 | 1000 |
| Tomatoes | Lg Box | 64 | 4500 | 5700 | 4500 | 4300 | 4200 |
| Onions Dry | net | 13 | 800 | 700 | 1040 | 750 | 1040 |
| Spring Onions | Bag | 142 | 1700 | 4000 | 1500 | 1000 | 700 |
| Chillies | Bag | 38 | 2200 | 1100 | 1500 | 2000 | |
| Cucumber | Bag | 50 | 2000 | 2000 | | | |
| Capsicums | Bag | 50 | 2000 | 1500 | 2300 | 1500 | 1750 |
| Brinjals | Bag | 44 | 1800 | 700 | 1400 | 1500 | |
| Cauliflower | crate | 39 | 1800 | 2800 | | 800 | |
| Lettuce | Bag | 51 | 1700 | 1500 | | | |
| **FRUITS** | | | | | | | |
| Passion Fruits | Bag | 57 | 4600 | 7000 | 3100 | 5000 | 2280 |
| Oranges | Bag | 93 | 3200 | 4800 | 3500 | 3000 | 3400 |
| Lemons | Bag | 95 | 2800 | 2400 | 1800 | 2700 | |
| Mangoes Local | Bag | 126 | 2200 | 2500 | 2800 | 3000 | 2000 |
| Ripe Bananas | Med Bunch | 14 | 630 | 400 | 300 | 750 | 700 |
| Mangoes Ngowe | Sm Basket | 25 | 1000 | 1500 | 1800 | 500 | 500 |
| Limes | net | 13 | 1000 | 750 | | | |
| Pineapples | Dozen | 13 | 740 | 900 | 630 | 480 | 1040 |
| Pawpaw | Lg Box | 54 | 1800 | 1200 | 1500 | 3000 | 1620 |
| Avocado | Bag | 90 | 2000 | 3000 | 1700 | 2000 | 1500 |
| **OTHERS** | | | | | | | |
| Eggs | Tray | | 300 | 360 | 260 | 300 | 360 |

SOURCE: STATE DEPARTMENT OF AGRICULTURE. EMAIL MARKETINFO@KILIMO.GO.KE

## MSCI Emerging Markets Sector Indices

| NAME | LAST | NET.CHNG | PCT.CHNG | OPEN | HIGH | LOW | CLOSE |
|---|---|---|---|---|---|---|---|
| CI-UAE | 462.43 | 7.67 | 1.69% | 462.43 | 462.43 | 462.43 | 454.76 |
| CI-AC AMER. | 1,073.90 | 17.58 | 1.66% | 1,073.90 | 1,073.90 | 1,073.90 | 1,056.32 |
| CI-ASIA PAC | 138.57 | -1.64 | -1.17% | 138.57 | 138.57 | 138.57 | 140.20 |
| CI-ARGENTINA | 1,704.40 | -194.49 | -10.24% | 1,704.40 | 1,704.40 | 1,704.40 | 1,898.89 |
| CI-BRIC | 535.45 | -37.78 | -6.59% | 535.45 | 535.45 | 535.45 | 573.23 |
| BRIC | 255.00 | -24.41 | -8.74% | 255.00 | 255.00 | 255.00 | 279.41 |
| BRIC GROWTH | 489.65 | -30.81 | -5.92% | 489.65 | 489.65 | 489.65 | 520.46 |
| BRIC VALUE | 420.94 | -33.04 | -7.28% | 420.94 | 420.94 | 420.94 | 453.98 |
| CI-BAHRAIN | 103.76 | -2.25 | -2.12% | 103.76 | 103.76 | 103.76 | 106.00 |
| CI-CHILE | 4,105.60 | -20.85 | -0.51% | 4,105.60 | 4,105.60 | 4,105.60 | 4,126.45 |
| CI-CHINA FREE | 66.24 | -8.13 | -10.94% | 66.24 | 66.24 | 66.24 | 74.37 |
| CI-COLOMBIA | 2,296.03 | -23.63 | -1.02% | 2,296.03 | 2,296.03 | 2,296.03 | 2,319.66 |
| CI-CZECH REPUBLI | 290.43 | 9.80 | 3.49% | 290.43 | 290.43 | 290.43 | 280.63 |
| CI-EAFE+EM | 333.89 | 5.08 | 1.55% | 333.89 | 333.89 | 333.89 | 328.81 |
| CI-EU | 489.31 | 18.02 | 3.82% | 489.31 | 489.31 | 489.31 | 471.29 |
| CI-EGYPT | 1,742.41 | -19.19 | -1.09% | 1,742.41 | 1,742.41 | 1,742.41 | 1,761.60 |
| CI-AC EUROPE | 532.30 | 21.20 | 4.15% | 532.30 | 532.30 | 532.30 | 511.10 |
| CI-C.FE | 122.75 | -2.72 | -2.17% | 122.75 | 122.75 | 122.75 | 125.47 |
| CI-GOLD DRAGON | 157.93 | -14.16 | -8.23% | 157.93 | 157.93 | 157.93 | 172.09 |
| CI-HUNGARY | 1,049.68 | 32.97 | 3.24% | 1,049.68 | 1,049.68 | 1,049.68 | 1,016.71 |
| CI-INDON. FREE | 5,591.15 | -185.97 | -3.22% | 5,591.15 | 5,591.15 | 5,591.15 | 5,777.12 |
| CI-INDIA | 1,056.81 | 22.47 | 2.17% | 1,056.81 | 1,056.81 | 1,056.81 | 1,034.34 |
| CI-JOEG & MA | 1,144.20 | 11.39 | 1.01% | 1,144.20 | 1,144.20 | 1,144.20 | 1,132.80 |
| CI-KOREA | 525.56 | -19.49 | -3.58% | 525.56 | 525.56 | 525.56 | 545.05 |
| CI-KUWAIT | 505.31 | -4.20 | -0.82% | 505.31 | 505.31 | 505.31 | 509.51 |
| CI-SRI LANKA | 730.20 | 59.85 | 8.93% | 730.20 | 730.20 | 730.20 | 670.35 |
| CI-MOROCCO | 279.45 | 10.24 | 3.80% | 279.45 | 279.45 | 279.45 | 269.21 |
| CI-EM E.EUROPE | 255.01 | -3.80 | -1.47% | 255.01 | 255.01 | 255.01 | 258.81 |
| CI-EM FAR EAST | 595.38 | -43.71 | -6.84% | 595.38 | 595.38 | 595.38 | 639.09 |
| CI-EM ASIA | 708.61 | -43.84 | -5.83% | 708.61 | 708.61 | 708.61 | 752.45 |
| CI-EM EUROPE | 4,633.99 | -78.91 | -1.67% | 4,633.99 | 4,633.99 | 4,633.99 | 4,712.90 |
| CI-MALAYSIA FREE | 600.02 | 5.50 | 0.93% | 600.02 | 600.02 | 600.02 | 594.51 |
| CI-OMAN | 778.75 | 16.60 | 2.18% | 778.75 | 778.75 | 778.75 | 762.15 |
| CI-PERU | 1,928.16 | -175.50 | -8.34% | 1,928.16 | 1,928.16 | 1,928.16 | 2,103.65 |
| CI-AC PAC. | 132.46 | -1.77 | -1.32% | 132.46 | 132.46 | 132.46 | 134.23 |
| CI-PHILIPP.FREE | 589.70 | -8.86 | -1.48% | 589.70 | 589.70 | 589.70 | 598.56 |
| CI-PAKISTAN | 137.69 | 4.75 | 3.58% | 137.69 | 137.69 | 137.69 | 132.93 |
| CI-POLAND | 1,613.28 | -62.21 | -3.71% | 1,613.28 | 1,613.28 | 1,613.28 | 1,675.49 |
| CI-QATAR | 926.30 | -38.71 | -4.01% | 926.30 | 926.30 | 926.30 | 965.02 |
| CI-RUSSIA | 782.62 | -8.37 | -1.06% | 782.62 | 782.62 | 782.62 | 790.99 |
| SOUTH EAST ASIA | 1,219.95 | -28.68 | -2.30% | 1,219.95 | 1,219.95 | 1,219.95 | 1,248.63 |
| CI-THAILAND FREE | 502.54 | -19.40 | -3.72% | 502.54 | 502.54 | 502.54 | 521.95 |
| CI-TURKEY | 415.38 | -25.15 | -5.71% | 415.38 | 415.38 | 415.38 | 440.53 |
| CI-TAIWAN | 327.03 | -21.96 | -6.29% | 327.03 | 327.03 | 327.03 | 348.99 |
| CI-ISRAEL | 361.12 | 40.91 | 12.78% | 361.12 | 361.12 | 361.12 | 320.20 |
| CI-SOUTH AFRICA | 1,339.42 | -29.04 | -2.12% | 1,339.42 | 1,339.42 | 1,339.42 | 1,368.46 |

## Commodities

# Flower festival

**Medellin**

**Flower arrangements taken during the traditional "Silleteros" parade, as part of the Flower Festival in Medellin, Colombia, on August 9. The festival is the most important social event in the city and features a pageant, automobiles, a horse parade and many musical concerts.** AFP

## Global Commodity Prices

Effective date: 12th Aug 2015

### AGRO COMMODITIES

| COMMODITY | CURRENCY | LAST | NET CHNG |
|---|---|---|---|
| **SOFTS** | | | |
| SUGAR NO5 | USD | 10.70 | 0.08 |
| COFFEE | USD | 162.30 | -19.45 |
| COCOA | USD | 3073.00 | -9.00 |
| RUBBER | JPY | 183.00 | 0.00 |
| FROZEN OJ CON1 | USC | 131.40 | 4.80 |
| COTTON NO2 | USC | 61.82 | -0.89 |
| **GRAINS** | | | |
| CORN | USC | 379.25 | 2.75 |
| MAIZE EUR | EUR | 155.75 | 1.25 |
| WHEAT | USC | 510.25 | 3.00 |
| ROUGH RICE | USD | 11.81 | 0.01 |
| **OILSEEDS** | | | |
| SOY BEANS | USC | 1010.50 | -3.50 |
| SOY BEAN OIL | USC | 29.80 | -0.28 |
| CANOLA | CAD | 505.10 | -2.50 |
| PALM OIL | MYR | 2264.00 | -8.00 |

### METALS & MINING

| SYMBOL | CURRENCY | LAST | NET CHG |
|---|---|---|---|
| 100 OZ GOLD | USD | 1117.30 | 9.70 |
| SILVER | JPY | 60.00 | 1.00 |
| HG COPPER | USC | 2.31 | -0.03 |
| PLATINUM | JPY | 3962.00 | 5.00 |
| ALUMINIUM | CNY | 12020.00 | 30.00 |
| PALLADIUM | JPY | 2422.00 | -18.00 |

### OIL& GAS

| SYMBOL | CURRENCY | LAST | NET CHG |
|---|---|---|---|
| LIGHT CRUDE | USD | 43.73 | 0.65 |
| NO 2 HT OIL | USD | 1.59 | 0.02 |
| BRENT CRUDE | USD | 49.79 | 0.61 |
| GAS OIL | USD | 482.50 | 13.00 |
| NATURAL GAS | USD | 2.86 | 0.02 |
| KEROSINE | JPY | 48500.00 | -60.00 |

SOURCE: THOMSON REUTERS

## Unit Trusts

Effective date: 11th Aug 2015

| MONEY MARKET FUND | CURRENCY | DAILY YIELD | EFFECTIVE ANNUAL RATE |
|---|---|---|---|
| OLD MUTUAL | SH | 7.85% | 8.14% |
| BRITISH AMERICAN | SH | 10.68% | 11.27% |
| UAP | SH | 10.96% | 11.58% |
| GENCAP HELA | SH | 11.68% | 12.20% |
| PAN AFRICA PESA+ | SH | 12.11% | 12.87% |
| AMANA | SH | 10.77% | 11.32% |
| MADISSON | SH | 11.04% | 11.62% |
| ICEA | SH | 10.95% | 11.57% |
| CIC | SH | 11.90% | 12.56% |
| CBA | SH | 10.00% | 10.44% |
| STANLIB | SH | 10.33% | 10.84% |
| NABO AFRICA | USD | 96.28 | 96.28 |
| **FIXED INCOME FUND** | **CURRENCY** | **BUY** | **SELL** |
| GENCAP HAZINA | SH | 111.62 | 115.67 |
| NABO AFRICA | USD | 93.84 | 93.84 |
| CIC | SH | 9.52 | 9.76 |
| **BALANCED FUND** | | | |
| OLD MUTUAL / TOBOA | SH | 153.54 | 163.50 |
| BRITISH AMERICAN | SH | 185.66 | 191.05 |
| GENCAP ENEZA | SH | 120.06 | 124.42 |
| UAP | SH | 10.76 | 11.30 |
| AMANA | SH | 123.18 | 123.18 |
| MADISSON | SH | 60.55 | 63.90 |
| PAN AFRICA CHAMA+ | SH | 10.44 | 10.76 |
| STANLIB | SH | 125.39 | 125.39 |
| CIC | SH | 13.05 | 13.67 |
| ICEA | SH | 133.48 | 140.51 |
| NABO AFRICA | USD | 104.17 | 104.17 |
| **EQUITY FUND** | | | |
| OLD MUTUAL | SH | 375.86 | 402.72 |
| OLD MUTUAL EAST AFRICA FUND | SH | 149.40 | 158.11 |
| BRITISH AMERICAN | SH | 194.88 | 201.07 |
| CBA | SH | 156.38 | 156.38 |
| AMANA | SH | 122.31 | 122.31 |
| GENCAP HISA | SH | 124.62 | 129.14 |
| MADISSON | SH | 46.10 | 48.96 |
| ICEA | SH | 141.20 | 148.63 |
| UAP | SH | 9.93 | 10.43 |
| STANLIB | SH | 174.92 | 174.92 |
| CIC | SH | 13.70 | 14.42 |
| NABO AFRICA | USD | 96.94 | 96.94 |
| **BOND FUND** | | | |
| OLD MUTUAL BOND FUND | SH | 97.54 | 99.86 |
| BRITISH AMERICAN | SH | 136.74 | 139.53 |
| ICEA | SH | 92.18 | 93.11 |
| UAP | SH | 11.18 | 11.18 |
| PAN AFRICA PATA+ | SH | 9.76 | 10.06 |
| STANLIB FUND B1 | SH | 98.25 | 98.25 |
| STANLIB FUND A | SH | 97.49 | 97.49 |
| **SHARIAH COMPLIANT** | | | |
| GENCAP IMAN | SH | 111.20 | 117.05 |

**MARKET DATA**

# Central bank under pressure to weaken yuan further

China's move to devalue its currency reflects a growing clamour within government circles for a weaker yuan to help struggling exporters, ensuring the central bank remains under pressure to drag it down further in the months ahead, sources said.

The yuan has fallen almost 4 percent in two days since the central bank announced the devaluation on Tuesday, but sources involved in the policy-making process said powerful voices inside the government were pushing for it to go still lower.

Their comments, which offer a rare insight into the argument going on behind the scenes in Beijing, suggest there is pressure for an overall devaluation of almost 10 percent.

"There have been internal calls for the exchange rate to be more flexible, or depreciated appropriately, to help stabilize external demand and growth," said a senior economist at a government think-tank that advises policy-makers in Beijing.

**Stimulate exports**

"I think yuan deprecation within 10 percent would be manageable. There should be enough depreciation, otherwise it won't be able to stimulate exports."

The Commerce Ministry, which on Wednesday publicly welcomed the devaluation as an export stimulus, had led the push for Beijing to abandon its previous strong-yuan policy.

Reuters could not verify how much influence Commerce Ministry officials had wielded in the decision to drive the yuan lower, but the sources said its officials were claiming victory after a long lobbying campaign against what some of them regarded as over-zealous reform led by the central bank.

The People's bank of China (PBOC) had been keeping the yuan strong to support the ruling Communist Party's goal of shifting the economy's main engine from exports to domestic demand.

A stronger yuan boosts domestic buying power, helps Chinese firms to borrow and invest abroad, and encourages foreign firms and governments to increase their use of the currency.

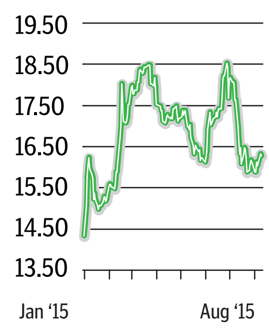
Until the devaluation, the currency had appreciated overall by 14 percent over the past 12 months on a trade-weighted basis, according to data from the Bank for International Settlements. Premier Li Keqiang had repeatedly ruled out devaluation, but increased risks to economic growth, exacerbated by recent stock market turmoil, increased pressure to reverse course, the sources said.

**- REUTERS**

## WINNERS AND LOSERS - YTD

### KPLC
Kenya

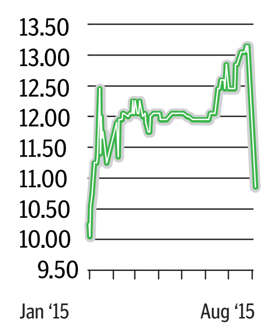
16.45
1.54%




| | |
|---|---|
| Earnings per share | 3.31 |
| Price to earnings ratio (p/e) | 4.97 |
| Dividend Yield | 3.04% |

### Marshalls EA
Kenya

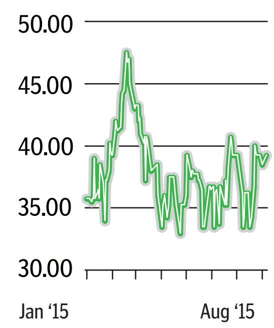
10.80
-10.00%




| | |
|---|---|
| Earnings per share | -11.90 |
| Price to earnings ratio (p/e) | -0.91 |
| Dividend Yield | 0.00% |

### Standard Group
Kenya

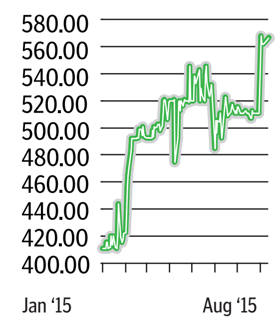
39.00
0.00%




| | |
|---|---|
| Earnings per share | 2.57 |
| Price to earnings ratio (p/e) | 15.18 |
| Dividend Yield | 1.28% |

### Jubilee
Kenya

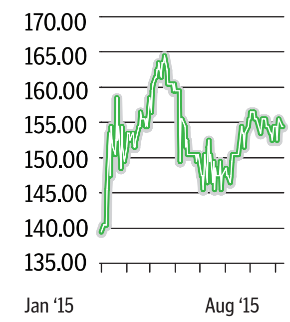
565.00
0.89%




| | |
|---|---|
| Earnings per share | 48.00 |
| Price to earnings ratio (p/e) | 11.77 |
| Dividend Yield | 1.50% |

### Bamburi
Kenya

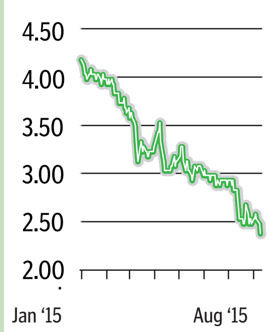
154.00
0.00%




| | |
|---|---|
| Earnings per share | 9.80 |
| Price to earnings ratio (p/e) | 15.71 |
| Dividend Yield | 7.79% |

### Home Africa
Kenya

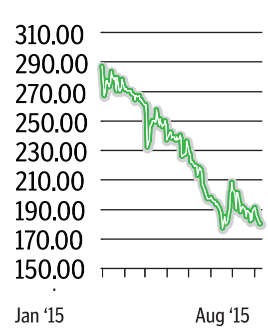
2.35
0.00%




| | |
|---|---|
| Earnings per share | -0.04 |
| Price to earnings ratio (p/e) | -58.75 |
| Dividend Yield | 0.00% |

### NMG
Kenya

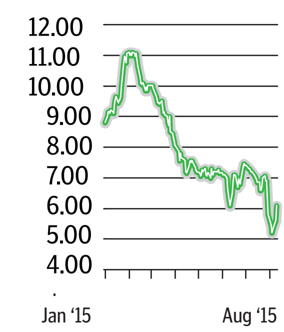
179.00
0.56%




| | |
|---|---|
| Earnings per share | 13.10 |
| Price to earnings ratio (p/e) | 13.66 |
| Dividend Yield | 5.59% |

### KQ
Kenya

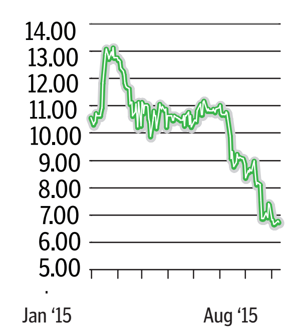
6.05
0.83%




| | |
|---|---|
| Earnings per share | -13.35 |
| Price to earnings ratio (p/e) | -0.45 |
| Dividend Yield | 0.00% |

### Uchumi
Kenya

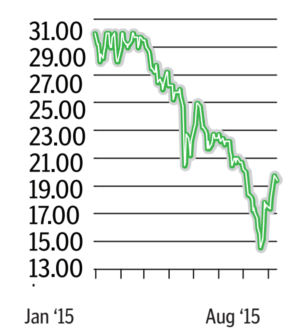
6.70
1.52%




| | |
|---|---|
| Earnings per share | 1.45 |
| Price to earnings ratio (p/e) | 4.62 |
| Dividend Yield | 4.48% |

### Britam
Kenya

19.65
-1.75%



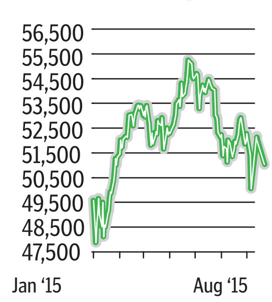

| | |
|---|---|
| Earnings per share | 1.31 |
| Price to earnings ratio (p/e) | 15.00 |
| Dividend Yield | 1.53% |

## **Tracking the markets:** Benchmark Index (Latest Data)

### Africa

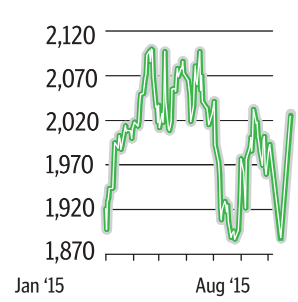
**JSE All Share Index**
South Africa

51,118.82
-2.11%



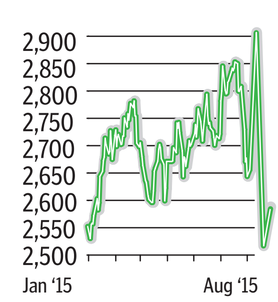

**USE All Share**
Uganda

2,021.00
0.75%



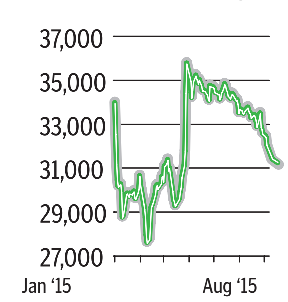

**DSE All Share**
Tanzania

2,583.26
0.00%



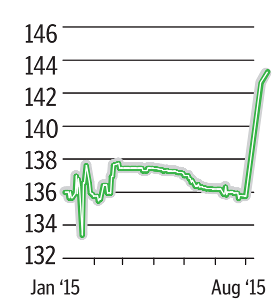

**NGSE All share**
Nigeria

31,176.18
-0.30%




**RSE All Share**
Rwanda

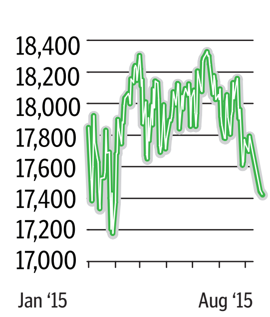
143.17
0.11%




### World

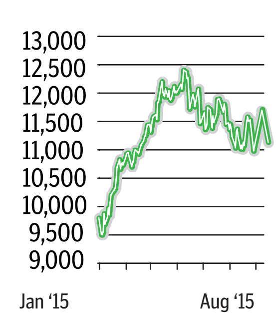
**DJ Industrial**
New York

17,402.84
-1.21%



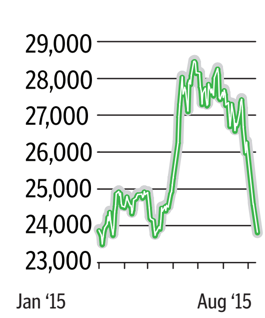

**Xetra Dax**
Frankfurt

11,069.78
-1.98%



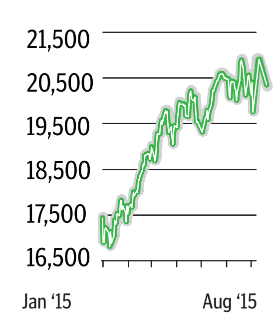

**HangSeng**
Hongkong

23,916.02
-2.38%



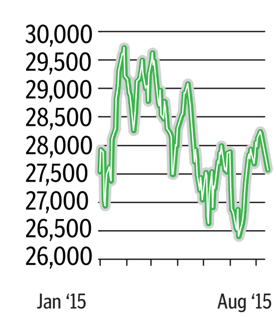

**Nikkei**
Tokyo

20,392.77
-1.58%




**Sensex**
Mumbai

27,512.26
-1.27%



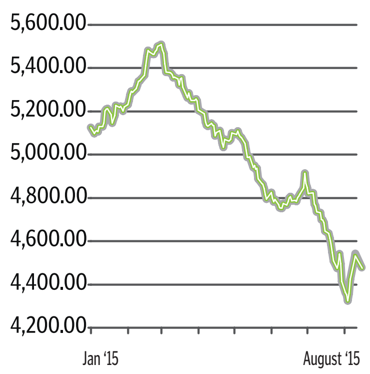
# MARKET DATA

## Nairobi Stocks

### NSE 20 Share Index

Nairobi

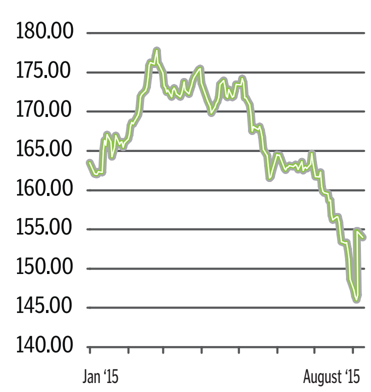
4,499.06
-0.46%




### All Share Index (NASI)

Nairobi

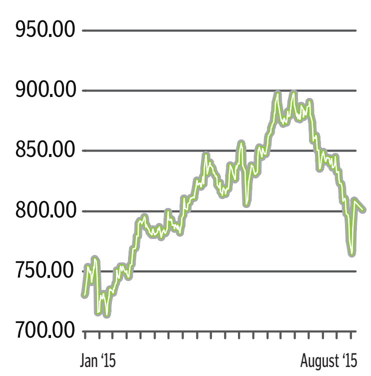
154.61
-0.19%




### PineBridge -27 Index

Nairobi

801.15
-0.17%




## Active Counters

| Counter | Price Last | Price Prev | % Change | Total Shares Traded |
|---|---|---|---|---|
| Safaricom | 15.60 | 15.50 | 0.65% | 5,489,500 |
| Mumias | 1.90 | 2.00 | -5.00% | 1,270,200 |
| KCB | 48.75 | 49.50 | -1.52% | 1,169,400 |
| Home Africa | 2.35 | 2.35 | 0.00% | 1,096,700 |
| Umeme | 17.40 | 17.50 | -0.57% | 707,000 |

## Gainers

| Counter | Price last | Price Prev | Net Change | % Chng |
|---|---|---|---|---|
| Express (K) | 5.05 | 4.60 | 0.45 | 9.78% |
| Total | 22.75 | 21.50 | 1.25 | 5.81% |
| Flame Tree Group | 7.35 | 7.00 | 0.35 | 5.00% |
| ARM Cement ltd | 64.50 | 61.50 | 3.00 | 4.88% |
| Car & Gen | 42.00 | 40.50 | 1.50 | 3.70% |

## Losers

| Counter | price Last | price Prev | Net Change | % Chng |
|---|---|---|---|---|
| Marshalls | 10.80 | 12.00 | -1.20 | -10.00% |
| CFC Stanbic | 93.50 | 101.00 | -7.50 | -7.43% |
| Mumias | 1.90 | 2.00 | -0.10 | -5.00% |
| KenolKobil | 8.60 | 9.00 | -0.40 | -4.44% |
| Olympia | 4.65 | 4.85 | -0.20 | -4.12% |

## African Indices

| NAME | LOCATION | LAST | NET.CHNG | PCT.CHNG | OPEN | HIGH | LOW | CLOSE |
|---|---|---|---|---|---|---|---|---|
| NSE 20 - SHR IDX | KENYA | 4,499.06 | -20.57 | -0.46% | 4,499.06 | 4,499.06 | 4,499.06 | 4,519.63 |
| LUSE ALL SHARE INDEX | ZAMBIA | 5,843.32 | 0.00 | 0.00% | 5,843.32 | 5,843.32 | 5,843.32 | 5,843.32 |
| JSE ALL SHARE INDEX | SOUTH AFRICA | 51,118.82 | -1102.35 | -2.11% | 51,695.84 | 51,695.84 | 51,032.02 | 52,221.17 |
| ALSIUG | UGANDA | 2,021.00 | 15.00 | 0.75% | 2,006.00 | 2,006.00 | 2,006.00 | 2,006.00 |
| ZSE INDUSTRIAL | ZIMBABWE | 142.93 | 0.00 | 0.00% | 143.64 | 143.64 | 143.64 | 143.64 |
| CFG INDEX | MOROCCO | 20,469.78 | -44.02 | -0.21% | 20,557.87 | 20,577.28 | 20,469.78 | 20,513.80 |
| MALAWI ALL SHR | MALAWI | 15,887.92 | 0.00 | 0.00% | 15,887.92 | 15,887.92 | 15,887.92 | 15,887.92 |
| NSE ALL SHARE/D | NIGERIA | 31,176.18 | -93.53 | -0.30% | 31,269.71 | 31,279.71 | 30,998.94 | 31,269.71 |
| DSE ALL SHR IDX | TANZANIA | 2,583.26 | 0.00 | 0.00% | 2,600.36 | 2,600.36 | 2,600.36 | 2,600.36 |
| EGX 30 IDX/D | EGYPT | 7,911.88 | -171.30 | -2.12% | 8,067.60 | 8,067.60 | 7,911.74 | 8,083.18 |
| TUN MAIN INDEX | TUNISIA | 5,591.55 | -23.03 | -0.41% | 5,616.41 | 5,618.06 | 5,589.95 | 5,614.58 |
| RSE ALLSHARE IND | RWANDA | 143.17 | 0.16 | 0.11% | 143.17 | 143.17 | 143.17 | 143.01 |

## Daily Share Report

| | 52 WK HIGH | 52 WK LOW | YTD % | VWA LAST PRICE | VWA PREV PRICE | DAILY PRICE CHANGE | DAILY TRADED SHARES | SHARES ISSUED | MKT CAP. KSH '000 | EPS LATEST 12MNTH | P / E TRAILING | PBV TRAILING | DPS LATEST 12MNTH | TOTAL DIVIDEND YIELD |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| AGRICULTURAL | | | | | | | | | | | | | | |
| EAAGADS | 100.00 | 29.50 | -29.17% | 29.75 | 29.75 | 0.00% | | 32,157,000 | 956,670,750.0 | 0.18 | 165.28 | 2.38 | 0.00 | 0.00% |
| KAKUZI | 363.00 | 113.00 | 95.56% | 352.00 | 352.00 | 0.00% | | 19,599,999 | 6,899,199,648.0 | 8.17 | 43.08 | 2.38 | 3.75 | 1.07% |
| KAPCHORUA TEA | 242.00 | 115.00 | 66.42% | 225.00 | 228.00 | -1.32% | 3,000 | 3,912,000 | 880,200,000.0 | -5.82 | -38.66 | 0.64 | 5.00 | 2.22% |
| LIMURU TEA | 1,248.00 | 650.00 | 41.37% | 1,090.00 | 1,090.00 | 0.00% | | 1,800,000 | 1,962,000,000.0 | -0.28 | - | 5.31 | 1.00 | 0.09% |
| REA VIPINGO | 27.50 | 27.50 | 0.00% | 27.50 | 27.50 | 0.00% | | 60,000,000 | 1,650,000,000.0 | 5.85 | 4.70 | 0.74 | 0.00 | 0.00% |
| SASINI | 18.00 | 11.50 | 16.73% | 15.00 | 15.00 | 0.00% | | 228,055,500 | 3,420,832,500.0 | 0.54 | 27.78 | 0.54 | 0.25 | 1.67% |
| WILLIAMSON TEA | 435.00 | 240.00 | 58.87% | 395.00 | 394.00 | 0.25% | 500 | 8,756,320 | 3,458,746,400.0 | 23.77 | 16.62 | 0.54 | 40.00 | 10.13% |
| AUTOMOBILES & ACCESSORIES | | | | | | | | | | | | | | |
| CAR & GEN | 62.00 | 37.25 | -25.00% | 42.00 | 40.50 | 3.70% | 2,300 | 40,103,308 | 1,684,338,936.0 | 6.57 | 6.39 | 0.81 | 0.60 | 1.43% |
| MARSHALLS | 13.60 | 8.15 | 22.45% | 10.80 | 12.00 | -10.00% | 400 | 14,393,106 | 155,445,544.8 | -11.90 | -0.91 | 0.40 | 0.00 | 0.00% |
| SAMEER | 7.80 | 4.50 | -18.33% | 4.90 | 4.90 | 0.00% | 1,800 | 278,342,393 | 1,363,877,725.7 | -0.24 | -20.42 | 0.58 | 0.00 | 0.00% |
| BANKING | | | | | | | | | | | | | | |
| BARCLAYS | 18.45 | 14.00 | -12.57% | 14.85 | 14.60 | 1.71% | 148,400 | 5,431,536,000 | 80,658,309,600.0 | 1.54 | 9.64 | 2.49 | 1.00 | 6.73% |
| CFC STANBIC | 141.00 | 90.00 | -18.55% | 93.50 | 101.00 | -7.43% | 14,500 | 395,321,638 | 36,962,573,153.0 | 14.38 | 6.50 | 1.60 | 6.15 | 6.58% |
| DTBK | 280.00 | 193.00 | -13.19% | 201.00 | 204.00 | -1.47% | 1,700 | 242,110,105 | 48,664,131,105.0 | 21.92 | 9.17 | 2.11 | 2.40 | 1.19% |
| EQUITY | 63.00 | 37.00 | -14.00% | 42.50 | 43.00 | -1.16% | 187,400 | 3,702,777,020 | 157,368,023,350.0 | 4.55 | 9.34 | 3.05 | 1.80 | 4.24% |
| HF | 55.00 | 20.50 | -48.63% | 23.50 | 23.50 | 0.00% | 138,900 | 352,416,667 | 8,281,791,674.5 | 4.21 | 5.58 | 0.91 | 1.50 | 6.38% |
| I&M HOLDINGS | 141.00 | 106.00 | -13.82% | 106.00 | 106.00 | 0.00% | | 392,362,039 | 41,590,376,134.0 | 13.56 | 7.82 | 1.90 | 2.90 | 2.74% |
| KCB | 65.50 | 45.50 | -13.16% | 48.75 | 49.50 | -1.52% | 1,169,400 | 3,025,219,832 | 147,479,466,810.0 | 5.63 | 8.66 | 2.27 | 2.00 | 4.10% |
| NBK | 30.00 | 16.00 | -21.62% | 19.50 | 19.40 | 0.52% | 6,300 | 308,000,000 | 6,006,000,000.0 | 3.11 | 6.27 | 0.44 | 0.00 | 0.00% |
| NIC BANK | 85.00 | 47.00 | -13.48% | 50.00 | 49.75 | 0.50% | 49,100 | 639,945,603 | 31,997,280,150.0 | 7.07 | 7.07 | 1.54 | 1.00 | 2.00% |
| STAN. CHART. | 357.00 | 256.00 | -16.42% | 280.00 | 280.00 | 0.00% | 1,200 | 309,159,514 | 86,564,663,920.0 | 33.21 | 8.43 | 2.39 | 17.00 | 6.07% |
| CO-OP BANK | 23.25 | 17.50 | -2.50% | 19.60 | 19.50 | 0.51% | 170,700 | 4,889,316,295 | 95,830,599,382.0 | 1.64 | 11.95 | 2.23 | 0.50 | 2.55% |
| COMMERCIAL | | | | | | | | | | | | | | |
| ATLAS DEV & SUP SER LTD | 13.75 | 9.50 | | 9.50 | 9.50 | 0.00% | | 433,063,193 | 4,114,100,333.5 | -0.04 | -237.50 | | 0.00 | 0.00% |
| EXPRESS (K) | 8.50 | 4.50 | -25.81% | 5.05 | 4.60 | 9.78% | 200 | 35,403,790 | 178,789,139.5 | -2.18 | -2.32 | 0.90 | 0.00 | 0.00% |
| HUTCHINGS BIEMER | 20.25 | 20.25 | 0.00% | 20.25 | 20.25 | 0.00% | | 360,000 | 7,290,000.0 | -18.34 | -1.10 | - | 0.00 | 0.00% |
| KQ | 11.50 | 5.00 | -31.03% | 6.05 | 6.00 | 0.83% | 426,700 | 1,496,469,035 | 9,053,637,661.8 | -13.35 | -0.45 | 2.89 | 0.00 | 0.00% |
| LONGHORN PUBLISHERS | 30.75 | 6.45 | -24.32% | 7.00 | 7.00 | 0.00% | 65,500 | 243,750,000 | 1,706,250,000.0 | 1.62 | 4.32 | 0.94 | 2.00 | 28.57% |
| NATION MEDIA | 321.00 | 175.00 | -32.32% | 179.00 | 178.00 | 0.56% | 7,000 | 188,542,286 | 33,749,069,194.0 | 13.10 | 13.66 | 4.13 | 10.00 | 5.59% |
| STANDARD GRP | 47.50 | 31.50 | 12.23% | 39.00 | 39.00 | 0.00% | | 81,731,808 | 3,187,540,512.0 | 2.57 | 15.18 | 1.76 | 0.50 | 1.28% |
| TPS EA | 40.00 | 30.00 | -13.51% | 33.00 | 32.00 | 3.13% | 1,500 | 182,174,108 | 6,011,745,564.0 | 1.35 | 24.44 | 0.54 | 1.35 | 4.09% |
| UCHUMI | 15.60 | 6.40 | -34.33% | 6.70 | 6.60 | 1.52% | 18,400 | 364,959,616 | 2,445,229,427.2 | 1.45 | 4.62 | 0.61 | 0.30 | 4.48% |
| WPP SCANGROUP | 14.00 | 35.00 | -16.57% | 37.25 | 37.75 | -1.32% | 37,000 | 378,865,102 | 14,112,725,049.5 | 1.50 | 24.83 | 1.72 | 0.00 | 0.00% |
| CONSTRUCTION & ALLIED | | | | | | | | | | | | | | |
| ARM CEMENT LTD | 95.00 | 60.00 | -28.49% | 64.50 | 61.50 | 4.88% | 3,200 | 495,275,000 | 31,945,237,500.0 | 3.01 | 21.43 | 3.93 | 0.60 | 0.93% |
| BAMBURI | 180.00 | 135.00 | 10.79% | 154.00 | 154.00 | 0.00% | | 362,959,275 | 55,895,728,350.0 | 9.80 | 15.71 | 1.93 | 12.00 | 7.79% |
| CROWN BERGER | 187.00 | 54.00 | -38.29% | 70.50 | 68.50 | 2.92% | 1,500 | 23,727,000 | 1,672,753,500.0 | 9.01 | 7.82 | 1.23 | 1.75 | 2.48% |
| EA CABLES | 17.00 | 14.00 | -6.79% | 15.00 | 15.10 | -0.66% | 35,900 | 253,125,000 | 3,796,875,000.0 | 1.37 | 10.95 | 1.57 | 1.00 | 6.67% |
| EAPC | 78.00 | 51.00 | 3.45% | 60.00 | 60.00 | 0.00% | | 90,000,000 | 5,400,000,000.0 | -4.30 | -13.95 | 1.12 | 0.00 | 0.00% |
| ENERGY & PETROLEUM | | | | | | | | | | | | | | |
| KENGEN | 13.15 | 8.00 | -19.90% | 8.30 | 8.25 | 0.61% | 101,600 | 2,198,361,456 | 18,246,400,084.8 | 1.29 | 6.43 | 0.27 | 0.40 | 4.82% |
| KENOLKOBIL | 10.50 | 7.55 | 3.45% | 8.60 | 9.00 | -4.44% | 200,400 | 1,471,761,200 | 12,657,146,320.0 | 0.74 | 11.62 | 1.90 | 0.20 | 2.33% |
| KENYA POWER | 18.50 | 13.00 | 12.11% | 16.45 | 16.20 | 1.54% | 321,300 | 1,951,467,045 | 32,101,632,890.3 | 3.31 | 4.97 | 0.74 | 0.50 | 3.04% |
| TOTAL | 32.00 | 20.25 | -10.42% | 22.75 | 21.50 | 5.81% | 8,300 | 175,028,706 | 3,981,903,061.5 | 2.26 | 10.07 | 0.78 | 0.70 | 3.08% |
| UMEME | 23.00 | 16.00 | -16.67% | 17.40 | 17.50 | -0.57% | 707,000 | 1,623,878,005 | 28,255,477,287.0 | 1.34 | 12.95 | 3.09 | 0.90 | 5.19% |
| INSURANCE | | | | | | | | | | | | | | |
| BRITISH AMERICAN | 40.00 | 14.00 | -32.77% | 19.65 | 20.00 | -1.75% | 403,500 | 1,938,415,838 | 38,089,871,216.7 | 1.31 | 15.00 | 2.20 | 0.30 | 1.53% |
| CIC INSURANCE | 12.40 | 6.00 | -18.23% | 7.80 | 7.85 | -0.64% | 143,700 | 2,615,538,528 | 20,401,200,518.4 | 0.43 | 18.14 | 2.52 | 0.10 | 1.28% |
| JUBILEE | 600.00 | 370.00 | 24.44% | 565.00 | 560.00 | 0.89% | 6,400 | 59,895,000 | 33,840,675,000.0 | 48.00 | 11.77 | 3.17 | 8.50 | 1.50% |
| KENYA RE | 20.00 | 15.45 | 2.05% | 16.85 | 17.40 | -3.16% | 8,700 | 699,949,068 | 11,794,141,795.8 | 4.48 | 3.76 | 0.66 | 0.70 | 4.15% |
| LIBERTY KENYA | 28.00 | 17.00 | -6.45% | 22.00 | 21.75 | 1.15% | 500 | 535,707,499 | 11,785,564,978.0 | 2.14 | 10.28 | 2.23 | 0.50 | 2.27% |
| PAN AFRICA | 141.00 | 60.00 | -41.25% | 70.00 | 70.50 | -0.71% | 24,900 | 96,000,000 | 6,720,000,000.0 | 9.07 | 7.72 | 2.01 | 0.00 | 0.00% |
| INVESTMENT | | | | | | | | | | | | | | |
| CENTUM INVEST. | 84.50 | 45.00 | -10.66% | 54.00 | 54.50 | -0.92% | 109,800 | 665,441,775 | 35,933,855,850.0 | 10.44 | 5.17 | 1.77 | 0.00 | 0.00% |
| HOME AFRICA | 5.55 | 2.30 | -42.68% | 2.35 | 2.35 | 0.00% | 1,096,700 | 405,255,320 | 952,350,002.0 | -0.04 | -58.75 | - | 0.00 | 0.00% |
| KURWITU VENTURES LTD | 1,500.00 | 1,500.00 | - | 1,500.00 | 1,500.00 | 0.00% | | 102,272 | 153,408,000.0 | -62.40 | -24.04 | | 0.00 | 0.00% |
| OLYMPIA | 10.85 | 2.50 | -6.73% | 4.65 | 4.85 | -4.12% | 7,700 | 40,000,000 | 186,000,000.0 | -1.04 | -4.47 | 0.23 | 0.00 | 0.00% |
| TRANSCENTURY | 24.00 | 12.00 | -21.45% | 15.05 | 15.20 | -0.99% | 2,100 | 280,284,476 | 4,218,281,363.8 | -8.53 | -1.76 | 0.79 | 0.00 | 0.00% |
| INVESTMENT SERVICES | | | | | | | | | | | | | | |
| NAIROBI SECURITIES EXCHG | 28.00 | 15.00 | | 20.00 | 20.00 | 0.00% | 115,900 | 194,625,000 | 3,892,500,000.0 | 2.13 | 9.39 | 5.33 | 0.38 | 1.90% |
| MANUFACTURING & ALLIED | | | | | | | | | | | | | | |
| A. BAUMANN | 11.10 | 11.10 | 0.00% | 11.10 | 11.10 | 0.00% | | 3,840,066 | 42,624,732.6 | -2.02 | -5.50 | - | 0.00 | 0.00% |
| BOC GASES | 165.00 | 120.00 | 4.00% | 130.00 | 130.00 | 0.00% | 200 | 19,525,446 | 2,538,307,980.0 | 11.76 | 11.05 | 1.74 | 5.20 | 4.00% |
| BAT KENYA | 1,050.00 | 652.00 | -13.00% | 790.00 | 790.00 | 0.00% | | 100,000,000 | 79,000,000,000.0 | 42.55 | 18.57 | 10.43 | 42.50 | 5.38% |
| CARBACID | 30.00 | 14.00 | -21.84% | 16.95 | 17.00 | -0.29% | 44,800 | 254,851,988 | 4,319,741,196.6 | 1.93 | 8.78 | 2.61 | 0.30 | 1.77% |
| EABL | 355.00 | 262.00 | 1.62% | 309.00 | 313.00 | -1.28% | 77,900 | 790,774,356 | 244,349,276,004.0 | 11.31 | 27.32 | 8.95 | 6.00 | 1.94% |
| EVEREADY EA | 5.35 | 2.65 | 2.70% | 3.65 | 3.80 | -3.95% | 104,900 | 210,000,000 | 766,500,000.0 | -0.85 | -4.29 | 2.37 | 0.00 | 0.00% |
| FLAME TREE GROUP HOLDINGS | 14.00 | 7.00 | - | 7.35 | 7.00 | 5.00% | 101,900 | 161,866,804 | 1,189,721,009.4 | 0.99 | 7.42 | | 0.00 | 0.00% |
| K. ORCHARDS | 192.00 | 10.50 | -9.09% | 100.00 | 100.00 | 0.00% | | 12,868,124 | 1,286,812,400.0 | 0.15 | 666.67 | 526.32 | 0.00 | 0.00% |
| MUMIAS | 3.85 | 1.35 | 2.56% | 1.90 | 2.00 | -5.00% | 1,270,200 | 1,530,000,000 | 2,907,000,000.0 | -1.77 | -1.07 | 0.27 | 0.00 | 0.00% |
| UNGA | 56.50 | 32.00 | 9.43% | 45.00 | 43.50 | 3.45% | 2,100 | 75,708,873 | 3,406,899,285.0 | 3.65 | 12.33 | 0.73 | 0.75 | 1.67% |
| TELECOMMUNICATION & TECHNOLOGY | | | | | | | | | | | | | | |
| SAFARICOM | 17.90 | 11.85 | 10.32% | 15.60 | 15.50 | 0.65% | 5,489,500 | 40,065,428,000 | 625,020,676,800.0 | 0.80 | 19.50 | 7.80 | 0.64 | 4.10% |

## MARKET UPDATES

# Equities & Bonds

## Share Price Performance Scorecard

SCORECARD AS AT 12TH AUGUST 2015

| NAME | PREVIOUS | CLOSE | % 1D | % 5D | % 1M | % 3M | % 6M | % 1Y |
|---|---|---|---|---|---|---|---|---|
| A BAUMANN | 11.10 | 11.10 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| ATLAS DEVPNT & SPPRT SERV | 9.50 | 9.50 | 0.00 | 0.00 | -12.04 | -14.41 | -20.17 | - |
| ATHI RIVER MINING | 61.50 | 64.50 | 4.88 | 5.74 | -12.24 | -17.31 | -24.12 | -19.38 |
| BAMBURI | 154.00 | 154.00 | 0.00 | 0.00 | 1.99 | 1.99 | 1.99 | -13.97 |
| BARCLAYS KEN | 14.60 | 14.85 | 1.71 | 4.58 | -2.30 | -6.01 | -10.81 | -12.90 |
| BAT KENYA | 790.00 | 790.00 | 0.00 | 6.61 | 11.58 | 5.76 | -12.22 | 12.86 |
| BOC KENYA | 130.00 | 130.00 | 0.00 | -2.26 | -6.47 | 0.00 | -14.47 | -7.14 |
| BRITISH AMERICAN | 20.00 | 19.65 | -1.75 | 14.58 | 6.79 | -18.13 | -32.24 | -19.80 |
| CAR & GENERAL | 40.50 | 44.00 | 3.70 | -6.15 | -6.67 | -8.70 | -15.15 | -4.55 |
| CARBACID INV | 17.00 | 16.95 | -0.29 | -0.59 | -5.57 | -14.61 | -31.52 | -37.22 |
| CENTUM INV | 54.50 | 54.00 | -0.92 | 6.93 | -12.90 | -14.29 | -14.29 | 10.20 |
| CFC STANBIC BANK | 101.00 | 93.50 | -7.43 | -2.09 | -15.00 | -24.60 | -29.17 | -26.95 |
| CIC INSURANCE | 7.85 | 7.80 | -0.64 | 3.31 | 0.65 | -15.68 | -29.41 | 0.00 |
| CO-OP BANK | 19.50 | 19.60 | 0.51 | -0.25 | -6.67 | -10.91 | -2.00 | 3.16 |
| CROWN BERGER | 68.50 | 70.50 | 2.92 | 13.71 | 14.63 | -55.94 | -48.54 | -30.20 |
| DIAMOND KEN | 204.00 | 201.00 | -1.47 | -1.47 | -9.05 | -15.90 | -19.28 | -17.62 |
| EA CABLES | 15.10 | 15.00 | -0.66 | -5.36 | -5.96 | -1.96 | -4.46 | -7.69 |
| EA PORT CEM | 60.00 | 60.00 | 0.00 | 3.45 | -7.69 | 11.11 | -6.98 | -20.00 |
| EAAGADS | 29.75 | 29.75 | 0.00 | -9.16 | -17.36 | -9.85 | -25.63 | -5.56 |
| EA AFR BREW | 313.00 | 309.00 | -1.28 | 4.75 | 10.36 | -0.32 | -5.21 | 4.04 |
| EQUITY BANK | 43.00 | 42.50 | -1.16 | 8.28 | -5.03 | -10.53 | -20.56 | -5.56 |
| EVEREADY EA | 3.80 | 3.65 | -3.95 | -1.35 | -9.88 | -5.19 | -15.12 | 19.67 |
| EXPRESS KEN | 4.60 | 5.05 | 9.78 | 9.78 | -3.81 | -14.41 | -17.21 | -17.89 |
| FLAME TREE HLDNGS | 7.00 | 7.35 | 5.00 | -2.00 | -9.26 | -17.42 | -15.52 | - |
| G WILLIAMSON | 394.00 | 395.00 | 0.25 | 1.28 | 2.86 | 44.16 | 31.67 | 46.30 |
| HUTCHINGS BIEMER | 20.25 | 20.25 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| HOME AFRICA LIMITED | 2.35 | 2.35 | 0.00 | -7.84 | -16.07 | -24.19 | 0.00 | 0.00 |
| HOUSING FIN | 23.50 | 23.50 | 0.00 | 9.30 | -12.15 | -31.39 | -41.98 | -46.29 |
| I&M HOLDING | 106.00 | 106.00 | 0.00 | 0.00 | -7.83 | -20.90 | -12.40 | 0.00 |
| JUBILEE HLDS | 560.00 | 565.00 | 0.89 | 0.89 | 0.71 | -5.04 | 4.82 | 50.27 |
| KAKUZI | 352.00 | 352.00 | 0.00 | 8.31 | 6.99 | 18.92 | 58.56 | 105.85 |
| KAPCHORUA | 228.00 | 225.00 | -1.32 | 7.66 | 28.57 | 80.00 | 59.57 | 66.67 |
| KEN ORCHARDS | 100.00 | 100.00 | 0.00 | 0.00 | 0.00 | -4.76 | -9.09 | 875.61 |
| KENGEN | 8.25 | 8.30 | 0.61 | -1.19 | -5.68 | -13.09 | -19.02 | -17.00 |
| KENYA AIRWAYS | 6.00 | 6.05 | 0.83 | 18.63 | -12.95 | -13.57 | -43.72 | -40.98 |
| KENYA COM BK | 49.50 | 48.75 | -1.52 | 5.98 | -11.36 | -15.95 | -18.07 | -9.72 |
| KENOLKOBIL | 9.00 | 8.60 | -4.44 | 1.18 | 4.88 | -3.37 | -13.57 | 6.83 |
| KENYA POWER | 16.20 | 16.45 | 1.54 | 2.49 | -5.19 | -2.66 | 4.11 | 14.24 |
| KENYA RE | 17.40 | 16.85 | -3.16 | 2.12 | -4.80 | -3.44 | -8.17 | -4.26 |
| KURWITU | 1500.00 | 1500.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | - |
| LIBERTY HOLDINGS | 21.75 | 22.00 | 1.15 | 3.53 | -10.20 | -7.37 | -10.20 | 22.91 |
| LIMURU TEA | 1090.00 | 1090.00 | 0.00 | 0.00 | 0.00 | 14.74 | 7.18 | 62.69 |
| LONGHORN | 7.00 | 7.00 | 0.00 | 0.00 | -4.11 | -11.39 | -25.93 | -58.82 |
| MARSHALL | 12.00 | 10.80 | -10.00 | -10.00 | -10.00 | -10.00 | -4.42 | 20.00 |
| MUMIAS SUGAR | 2.00 | 1.90 | -5.00 | -5.00 | -11.63 | -5.00 | -36.67 | -19.15 |
| NAIROBI SECURITIES | 20.00 | 20.00 | 0.00 | 0.00 | -2.44 | 5.26 | 0.00 | - |
| NATION MEDIA | 178.00 | 179.00 | 0.56 | -2.72 | -3.76 | -17.89 | -32.71 | -42.26 |
| NATL BANK KEN | 19.40 | 19.50 | 0.52 | -6.02 | 6.27 | -3.70 | -23.53 | -34.45 |
| NIC BANK | 49.75 | 50.00 | 0.50 | 2.04 | -3.85 | -15.25 | -20.63 | -18.70 |
| OLYMPIA CAPITAL | 4.85 | 4.65 | -4.12 | -4.12 | -9.71 | -9.71 | -26.19 | -7.00 |
| PAN AFR INS | 70.50 | 70.00 | -0.71 | 4.48 | -5.41 | -44.00 | -40.68 | -43.55 |
| REA VIPINGO | 27.50 | 27.50 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| SAFARICOM | 15.50 | 15.60 | 0.65 | 11.83 | -2.50 | -6.31 | 5.76 | 21.88 |
| SAMEER AFRICA | 4.90 | 4.90 | 0.00 | 0.00 | -1.01 | -9.26 | -25.76 | -22.83 |
| SASINI | 15.00 | 15.00 | 0.00 | -6.25 | -9.64 | -9.09 | 11.52 | -7.98 |
| WPP SCANGROUP | 37.75 | 37.25 | -1.32 | 2.76 | -7.45 | -10.24 | -16.76 | -20.74 |
| STANDARD GRP | 39.00 | 39.00 | 0.00 | 0.00 | 0.00 | 4.70 | -4.88 | 18.18 |
| STD CHART KEN | 280.00 | 280.00 | 0.00 | 5.66 | -13.31 | -12.50 | -18.60 | -10.83 |
| TOTAL KENYA | 21.50 | 22.75 | 5.81 | 10.98 | 3.41 | -4.21 | -18.02 | 0.00 |
| TPS (EA) | 32.00 | 33.00 | 3.13 | 0.00 | -8.33 | -8.33 | -12.58 | -8.97 |
| TRANSCENTURY | 15.20 | 15.05 | -0.99 | 0.33 | 0.33 | 9.06 | 0.00 | 0.00 |
| UCHUMI SUPER | 6.60 | 6.70 | 1.52 | 2.29 | -22.99 | -36.49 | -42.24 | -48.06 |
| UNGA GROUP | 43.50 | 45.00 | 3.45 | 3.45 | 2.27 | 0.00 | 4.65 | 36.36 |

## Corporate Bonds

AUGUST 12, 2015 BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE

| | ISSUE DATE | MATURITY DATE | ISSUED VALUE IN MILLIONS | COUPON (%) | PREVIOUS PRICE (%) | TOTAL VALUE TRADED(KSH) |
|---|---|---|---|---|---|---|
| **CENTUM BOND SENIOR UNSECURED FIXED RATE AND EQUITY LINKED NOTES** | | | | | | |
| CTNB.BD.18.09.17/13.50 | 26-SEP-12 | 18-SEP-17 | 2,917.10 | 13.5000 | 105.2550 | |
| CTNB.BD.18.09.17/12.75 | 26-SEP-12 | 18-SEP-17 | 1,250.80 | 12.7500 | 99.9620 | |
| CTNB.BD.08.06.20/13 | 15-JUN-15 | 8-JUN-20 | 3,899.22 | 13.0000 | | |
| CTNB.BD.08.06.20/12.5 | 15-JUN-15 | 8-JUN-20 | 2,100.77 | 12.5000 | | |
| CTNB.BD.08.06.20/12.5V | 15-JUN-15 | 8-JUN-20 | 2,100.77 | | | |
| **CONSOLIDATED BANK OF KENYA LTD MEDIUM TERM NOTE PROGRAMME** | | | | | | |
| CON.BD-FXD(SN)/2012/7YR | 30-JUL-12 | 24-JUL-19 | 1,480.60 | 13.2500 | 99.1677 | |
| CON.BD-FXD(SBN)/2012/7YR | 30-JUL-12 | 22-JUL-19 | 196.50 | 13.6000 | 100.0000 | |
| CON.BD-FR(SN)/2012/7YR | 30-JUL-12 | 22-JUL-19 | 1.00 | | | |
| **SHELTER AFRIQUE MEDIUM TERM NOTES** | | | | | | |
| FXD 2/2012/3YR 2ND TRANCHE | 17-DEC-12 | 14-DEC-15 | 500.00 | 12.7500 | 100.7057 | |
| FXD 1/13/05YR | 30-SEP-13 | 24-SEP-18 | 4,239.70 | 12.7500 | 100.0000 | |
| FR 1/13/05YR | 30-SEP-13 | 24-SEP-18 | 760.30 | | | |
| **MRM** | | | | | | |
| FR (MRM) 2008/8YR | 27-OCT-08 | 17-OCT-16 | 621.50 | | 100.0000 | |
| FXD (MRM) 2008/8YR | 27-OCT-08 | 17-OCT-16 | 1,378.50 | 13.0000 | 100.0000 | |
| **CFC STANBIC BANK SENIOR & SUBORDINATED BOND ISSUE** | | | | | | |
| FR (CFC STANBIC) 2009/7YR | 7-JUL-09 | 7-JUL-16 | 97.91 | | 100.0000 | |
| FXD (CFC STANBIC) 2009/7YR | 7-JUL-09 | 7-JUL-16 | 2,402.09 | 12.5000 | 100.0000 | |
| **KENGEN PUBLIC INFRASTRUCTURE BOND OFFER 2019** | | | | | | |
| FXIB 1/2009/10YR | 2-NOV-09 | 31-OCT-19 | 14,062.00 | 12.5000 | 101.8271 | |
| **SAFARICOM LTD DOMESTIC MEDIUM TERM NOTE** | | | | | | |
| FR2 (SAFARICOM LTD) 2009/5YR | 20-DEC-10 | 20-DEC-15 | 200.00 | | 93.8370 | |
| FXD2 (SAFARICOM LTD) 2009/5YR | 20-DEC-10 | 20-DEC-15 | 4,287.00 | 8.0000 | 103.0000 | |
| **HOUSING FINANCE MEDIUM TERM NOTE** | | | | | | |
| FXD (HFCK) 02/2012/7YR 2ND TRANCHE | 22-OCT-12 | 14-OCT-19 | 2,969.10 | 13.0000 | 100.0000 | |
| FR (HFCK) 2010/7YR | 26-OCT-10 | 2-OCT-17 | 1,166.50 | | | |
| FXD (HFCK) 2010/7YR | 26-OCT-10 | 2-OCT-17 | 5,864.40 | 8.5000 | 94.6653 | |
| **I&M MEDIUM TERM NOTE** | | | | | | |
| FXD I&M-01/13/5.25 | 13-DEC-13 | 8-MAR-19 | 3,429.00 | 12.8000 | 100.0000 | |
| FRN I&M-01/13/5.25 | 13-DEC-13 | 8-MAR-19 | 226.00 | | | |
| **BRITAM MEDIUM TERM NOTE** | | | | | | |
| BRTB.BD.22/07/19-0037-13 | 22-JUL-14 | 15-JUL-19 | 6,000.00 | 13.0000 | 99.9562 | 350,000 |
| **UAP HOLDINGS MEDIUM TERM NOTE** | | | | | | |
| UAP.BD.22.07.2019 | 28-JUL-14 | 22-JUL-19 | 2,000.00 | 13.0000 | 99.9807 | |
| **NIC MEDIUM TERM NOTE** | | | | | | |
| NIC.BD.09/09/19-0039-12.5 | 8-SEP-14 | 9-SEP-19 | 5,514.50 | 12.5000 | 97.8453 | |
| **CIC INSURANCE GROUP LTDMEDIUM TERM NOTE** | | | | | | |
| CIC.BD.22.07.2019 | 8-OCT-14 | 2-OCT-19 | 5,000.00 | 13.0000 | 102.4933 | |
| **CFC STANBIC MULTICURRENCY MEDIUM TERM NOTE** | | | | | | |
| CFCB.BD.08/12/21-0042-12.95 | 15-DEC-14 | 8-DEC-21 | 5,080.00 | 12.9500 | 102.0180 | |
| **CBA FIXED MEDIUM TERM NOTE** | | | | | | |
| CBAB.BD.14/12/20-0041-12.75 | 22-DEC-14 | 14-DEC-20 | 7,000.00 | 12.7500 | 100.9239 | |
| **EABL FIXED MEDIUM TERM NOTE** | | | | | | |
| EABB.BD.19/03/18-0043-12.25 | 23-MAR-15 | 19-MAR-18 | 9,047.35 | 12.2500 | 100.2003 | |
| **CHASE BANK FIXED MEDIUM TERM NOTE** | | | | | | |
| CHBD.BD.02/06/22-0044-13.5 | 10-JUN-15 | 2-JUN-22 | 4,822.40 | 13.2500 | 99.9882 | |

## Kenya Treasury and Infrastructure Bonds

BONDS LISTED AT THE NAIROBI SECURITIES EXCHANGE AUGUST 12, 2015

| | ISSUE DATE | MATURITY DATE | ISSUED VALUE IN MILLIONS | COUPON (%) | TRADED YIELD (%) | PREVIOUS PRICE(%) | TOTAL VALUE TRADED(KSH) |
|---|---|---|---|---|---|---|---|
| **TWO YEAR BONDS** | | | | | | | |
| FXD 3/2013/2YR | 26-AUG-13 | 24-AUG-15 | 17,927.40 | 12.9390 | | 100.8908 | |
| FXD 4/2013/2YR | 24-DEC-13 | 21-DEC-15 | 25,251.00 | 11.5530 | | 100.6244 | |
| FXD 1/2014/2YR | 24-MAR-14 | 21-MAR-16 | 20,000.00 | 10.8030 | | 100.0237 | |
| FXD 2/2014/2YR | 26-MAY-14 | 23-MAY-16 | 20,130.15 | 10.7930 | | 99.9909 | |
| FXD 3/2014/2YR | 25-MAY-15 | 22-MAY-17 | 20,223.35 | 10.8900 | | 97.9678 | |
| FXD 1/2015/2YR | 23-JAN-15 | 20-FEB-17 | 23,592.55 | 11.4700 | | 101.0594 | |
| FXD 2/2015/2YR | 29-JUN-15 | 26-JUN-17 | 7,194.56 | 12.6290 | | 100.3199 | |
| **FIVE YEAR BONDS** | | | | | | | |
| FXD 2/2010/5YR | 30-NOV-10 | 23-NOV-15 | 14,973.10 | 6.6710 | | 98.3936 | |
| FXD 1/2011/5YR | 31-JAN-11 | 25-JAN-16 | 22,083.10 | 7.6360 | | 98.1667 | |
| FXD 1/2012/5YR | 28-MAY-12 | 22-MAY-17 | 31,079.55 | 11.8550 | | 100.9859 | |
| FXD 1/2013/5YR | 29-APR-13 | 23-APR-18 | 20,240.75 | 12.8920 | | 102.9309 | |
| FXD 2/2013/5YR | 1-JUL-13 | 25-JUN-18 | 26,340.05 | 11.3050 | | 100.3825 | |
| FXD 3/2013/5YR | 25-NOV-13 | 19-NOV-18 | 14,937.80 | 11.9520 | | 100.4719 | |
| FXD 1/2014/ 5YR | 28-APR-14 | 22-APR-19 | 25,540.95 | 10.8700 | | 96.9751 | |
| FXD 2/2014/ 5YR | 23-JUN-14 | 17-JUN-19 | 16,418.25 | 11.9340 | | 100.1528 | |
| FXD 1/2015/ 5YR | 29-JUN-15 | 22-JUN-20 | 11,996.96 | 13.1930 | 14.3000 | 96.7463 | 200,000,000 |
| **TEN YEAR BONDS** | | | | | | | |
| FXD 1/2006/10YR | 27-MAR-06 | 14-MAR-16 | 3,451.05 | 14.0000 | | 102.1563 | |
| FXD 2/2006/10YR | 29-MAY-06 | 16-MAY-16 | 5,028.10 | 14.0000 | | 102.8875 | |
| FXD 1/2007/10YR | 29-OCT-07 | 16-OCT-17 | 9,308.80 | 10.7500 | | 99.3880 | |
| FXD 1/2008/10YR | 29-OCT-07 | 16-OCT-17 | 2,992.75 | 10.7500 | | 99.3434 | |
| FXD 2/2008/10YR | 28-JUL-08 | 16-JUL-18 | 13,504.70 | 10.7500 | | 99.3210 | |
| FXD 3/2008/10YR | 29-SEP-08 | 28-SEP-18 | 4,151.60 | 10.7500 | | 99.2873 | |
| FXD 1/2009/10YR | 27-SEP-09 | 15-APR-19 | 4,966.85 | 10.7500 | | 96.5948 | |
| FXD 1/2010/10YR | 26-APR-10 | 13-APR-20 | 19,394.15 | 8.7900 | | 87.8868 | |
| FXD 2/2010/10YR | 1-NOV-10 | 19-OCT-20 | 18,849.90 | 9.3070 | | 90.0522 | |
| FXD 1/2012/10YR | 25-JUN-12 | 13-JUN-22 | 16,803.75 | 12.7050 | | 100.5957 | |
| FXD 1/2013/10YR | 1-JUL-13 | 19-JUN-23 | 12,643.05 | 12.3710 | | 98.3747 | |
| FXD 1/2014/10YR | 25-MAY-15 | 26-MAY-25 | 5,063.88 | 12.1800 | | 97.8447 | |
| **ELEVEN YEAR BONDS** | | | | | | | |
| FXD1/2006/11YR | 25-SEP-06 | 11-SEP-17 | 4,031.40 | 13.7500 | | 105.0256 | |
| **TWELVE YEAR BONDS** | | | | | | | |
| FXD1/2006/12YR | 28-AUG-06 | 13-AUG-18 | 3,900.95 | 14.0000 | | 105.2139 | |
| FXD1/2007/12YR | 28-MAY-07 | 13-MAY-19 | 4,864.60 | 13.0000 | | 105.6743 | |
| **FIFTEEN YEAR BONDS** | | | | | | | |
| FXD1/2007/15YR | 26-MAR-07 | 7-MAR-22 | 3,654.60 | 14.5000 | | 109.0397 | |
| FXD2/2007/15YR | 25-JUN-07 | 6-JUN-22 | 7,236.95 | 13.5000 | | 99.3108 | |
| FXD3/2007/15YR | 26-NOV-07 | 7-NOV-22 | 17,568.00 | 12.5000 | | 99.4391 | |
| FXD1/2008/15YR | 31-MAR-08 | 13-MAR-23 | 7,830.90 | 12.5000 | | 100.6070 | |
| FXD1/2009/15YR | 26-OCT-09 | 7-OCT-24 | 9,420.45 | 12.5000 | | 98.3299 | |
| FXD1/2010/15YR | 29-MAR-10 | 10-MAR-25 | 20,823.73 | 10.2500 | | 88.1557 | |
| FXD2/2010/15YR | 25-APR-11 | 8-DEC-25 | 13,513.10 | 9.0000 | | 79.3778 | |
| FXD1/2012/15YR | 24-SEP-12 | 6-SEP-27 | 21,089.45 | 11.0000 | | 89.6086 | |
| FXD1/2013/15YR | 25-FEB-13 | 7-FEB-28 | 40,886.33 | 11.2500 | | 90.0657 | |
| FXD2/2013/15YR | 29-APR-13 | 10-APR-28 | 17,385.85 | 12.0000 | | 95.8528 | |
| **TWENTY YEAR BOND** | | | | | | | |
| FXD1/2008/20YR | 30-JUN-08 | 5-JUN-28 | 20,360.95 | 13.7500 | | 106.2954 | |
| FXD1/2011/20YR | 30-MAY-11 | 5-MAY-31 | 9,365.80 | 10.0000 | | 79.8372 | |
| FXD1/2012/20YR | 26-NOV-12 | 1-NOV-32 | 43,082.72 | 12.0000 | | 91.6965 | |
| **TWENTY FIVE YEAR BOND** | | | | | | | |
| FXD1/2010/25YR | 28-JUN-10 | 28-MAY-35 | 20,192.50 | 11.2500 | | 82.0191 | |
| **THIRTY YEAR BOND** | | | | | | | |
| SDB 1/2011/30YR | 28-FEB-11 | 21-JAN-41 | 23,888.95 | 12.0000 | | 88.2403 | |
| **INFRASTRUCTURE BONDS** | | | | | | | |
| IFB 1/2009/12YR | 23-FEB-09 | 8-FEB-21 | 19,726.85 | 12.5000 | | 105.1593 | |
| IFB 2/2009/12YR | 7-DEC-09 | 22-NOV-21 | 18,897.65 | 12.0000 | | 102.4081 | |
| IFB 1/2010/8YR | 1-MAR-10 | 19-FEB-18 | 15,908.05 | 9.7500 | | 98.5524 | |
| IFB 2/2010/9YR | 31-AUG-10 | 19-SEP-19 | 32,871.55 | 6.0000 | | 83.9920 | |
| IFB 1/2011/12YR | 3-OCT-11 | 18-SEP-23 | 43,447.35 | 12.0000 | | 100.7940 | |
| IFB 1/2013/12YR | 30-SEP-13 | 15-SEP-25 | 38,841.68 | 11.0000 | | 94.3676 | |
| IFB 1/2014/12YR | 27-OCT-14 | 12-OCT-26 | 35,060.55 | 11.0000 | | 99.9640 | |
| IFB 1/2015/12YR | 30-MAR-15 | 15-MAR-27 | 25,695.35 | 11.0000 | 14.0080 | 83.5794 | 50,000,000 |

# MARKET DATA

## Global Markets & Currencies

### Currencies

#### Kenya Shilling

| CURRENCY | BUY | SELL | MEAN |
|---|---|---|---|
| US DOLLAR | 100.83 | 101.00 | 100.92 |
| STG POUND | 157.01 | 157.31 | 157.16 |
| EURO | 111.64 | 111.86 | 111.75 |
| SA RAND | 7.85 | 7.87 | 7.86 |
| KES / USHS | 35.05 | 35.21 | 35.13 |
| KES / TSHS | 20.79 | 20.93 | 20.86 |
| KES / RWF | 6.79 | 6.91 | 6.85 |
| KES / BIF | 15.27 | 15.39 | 15.33 |
| AE DIRHAM | 27.45 | 27.50 | 27.47 |
| CAN $ | 76.81 | 76.96 | 76.89 |
| S FRANC | 102.42 | 102.62 | 102.52 |
| JPY (100) | 80.62 | 80.79 | 80.70 |
| SW KRONER | 11.67 | 11.69 | 11.68 |
| NOR KRONER | 12.20 | 12.23 | 12.22 |
| DAN KRONER | 14.96 | 14.99 | 14.98 |
| IND RUPEE | 1.56 | 1.56 | 1.56 |
| HONGKONG DOLLAR | 13.00 | 13.02 | 13.01 |
| SINGAPORE DOLLAR | 71.36 | 71.49 | 71.43 |
| SAUDI RIYAL | 26.88 | 26.93 | 26.91 |
| CHINESE YUAN | 15.66 | 15.69 | 15.68 |
| AUSTRALIAN $ | 73.21 | 73.38 | 73.29 |

SOURCE CBK

### US Dollar

| BACKGROUND | BID | ASK |
|---|---|---|
| EURO | 1.11 | 1.11 |
| JAPANESE YEN | 124.38 | 124.39 |
| BRITISH POUND | 1.56 | 1.56 |
| SWISS FRANC | 0.98 | 0.98 |
| AUSTRALIAN DOLLAR | 0.73 | 0.73 |
| SWEDISH KRONA | 8.59 | 8.60 |
| CANADIAN DOLLAR | 1.30 | 1.30 |
| CHINESE YUAN | 6.38 | 6.39 |
| NORWEGIAN KRONE | 8.14 | 8.15 |
| BOSNIAN MARK | 1.74 | 1.79 |
| DANISH KRONE | 6.70 | 6.70 |
| RUSSIA ROUBLE | 64.60 | 64.66 |
| TURKISH LIRA | 2.78 | 2.78 |
| ICELAND KRONA | 132.11 | 132.41 |
| INDIAN RUPEE | 64.80 | 64.81 |
| POLISH ZLOTY | 3.77 | 3.77 |
| CZECH KORUNA | 24.23 | 24.26 |
| HUNGARIAN FORINT | 279.76 | 280.16 |
| UKRAINE HRYVNIA | 21.20 | 21.50 |
| ISRAEL SHEKEL | 3.82 | 3.82 |
| ALBANIAN LEK | 124.77 | 125.53 |
| BULGARIAN LEV | 1.75 | 1.76 |
| SERBIAN DINAR | 59.99 | 60.19 |
| CYPRUS POUND | 0.40 | 0.40 |
| ESTONIAN KROON | 11.70 | 11.71 |
| GEORGIAN LARI | 2.32 | 2.34 |
| THAI BAHT | 35.26 | 35.28 |
| GIBRALTAR POUND | 1.56 | 1.56 |
| CROATIAN KUNA | 6.78 | 6.79 |
| KAZAKHSTAN TENGE | 187.75 | 188.05 |
| LITHUANIA LITAS | 2.85 | 2.85 |
| LATVIAN LATS | 0.51 | 0.51 |
| MOLDOVAN LEU | 18.80 | 19.05 |
| MACEDONIA DENAR | 55.00 | 55.39 |
| MALTESE LIRA | 3.41 | 3.42 |
| ROMANIAN LEU | 3.96 | 3.96 |
| SLOVAK KORUNA | 21.55 | 21.60 |
| SERBIAN DINAR | 107.48 | 107.90 |
| ARMENIAN DRAM | 476.80 | 479.80 |
| UAE DIRHAM | 3.67 | 3.67 |
| ANGOLAN KWANZA | 125.50 | 126.50 |
| BURUNDI FRANC | 1,532.20 | 1,582.20 |
| BOTSWANA PULA | 0.10 | 0.10 |
| CONGO FRANC | 913.00 | 943.00 |
| CAPE VERDE ESCUDO | 98.83 | 99.93 |
| DJIBOUTI FRANC | 177.00 | 178.00 |
| ALGERIAN DINAR | 101.15 | 101.50 |
| EGYPT POUND | 7.83 | 7.83 |
| ETHIOPIAN BIRR | 20.59 | 20.99 |
| GHANAIAN CEDI | 4.01 | 4.09 |
| GAMBIAN DALASI | 39.30 | 40.30 |
| ERITREA NAFKA | 14.93 | 15.43 |
| GUINEA FRANC | 7,000.15 | 7,500.15 |
| KENYA SHILLING | 100.82 | 101.02 |
| COMORO FRANC | 444.95 | 445.95 |
| LIBERIAN DOLLAR | 88.00 | 89.00 |
| LESOTHO LOTI | 12.76 | 12.80 |
| LIBYAN DINAR | 1.38 | 1.38 |
| MOROCCAN DIRHAM | 9.74 | 9.75 |
| MALAGASY ARIARY | 3,270.00 | 3,346.00 |
| MAURITANIAOUGUIYA | 318.00 | 328.00 |
| MALAWI KWACHA | 527.42 | 532.42 |
| MOZAMBIQUE METICAL | 38.21 | 39.50 |
| NIGERIAN NAIRA | 198.00 | 198.10 |
| RWANDA FRANC | 686.00 | 697.00 |
| SC RUPEE | 13.05 | 14.00 |
| SUDANESE DINAR | 200.02 | 201.02 |
| SUDAN POUND | 2,025.50 | 2,035.60 |
| ST HELENA POUND | 1.56 | 1.56 |
| SIERRALEONLEON | 4,600.00 | 4,676.00 |
| SAO TOME DOBRA | 21,322.00 | 22,647.00 |
| SOMALI SHILLING | 661.00 | 668.00 |
| SWAZILAND LILAGENI | 12.76 | 12.81 |
| TUNISIAN DINAR | 1.95 | 1.96 |
| TANZANIA SHILLING | 2,115.00 | 2,125.00 |
| UGANDA SHILLING | 3,535.00 | 3,545.00 |
| CFA FRANC | 588.51 | 596.51 |
| CFA FRANC | 588.57 | 597.57 |
| MAURITIUS RUPEE | 35.38 | 35.48 |
| SOUTH AFRICA RAND | 12.78 | 12.78 |
| ZIMBABWE DOLLAR | 378.00 | 381.00 |

### Global Indexes

| INDEX (REGION/COUNTRY) | DAILY CLOSE | CHG | % CHG | YTD % CHG | 52 WEEK HIGH | LOW | % CHG | 3-YR % CHG |
|---|---|---|---|---|---|---|---|---|
| GLOBAL | | | | | | | | |
| THE GLOBAL DOW (WORLD) | 2518.21 | -21.68 | -0.85 | 0.7 | 2639.52 | 2378.15 | -1.3 | 10.2 |
| THE GLOBAL DOW EURO (WORLD) | 2146.32 | -31.68 | -1.45 | 10.3 | 2305.98 | 1752.10 | 19.3 | 14.3 |
| DJ GLOBAL INDEX (WORLD) | 325.34 | -3.16 | -0.96 | 1.4 | 341.62 | 301.71 | 0.6 | 9.7 |
| DJ GLOBAL EX U.S. (WORLD) | 228.17 | -2.25 | -0.98 | 1.3 | 248.65 | 217.05 | -5.7 | 5.5 |
| ASIA PACIFIC | | | | | | | | |
| DJ ASIA-PACIFIC TSM (ASIA-PACIFIC) | 1459.06 | -15.45 | -1.05 | 2.3 | 1619.39 | 1384.31 | -3.7 | 6 |
| ALL ORDINARIES (AUSTRALIA) | 5473.10 | -31.8 | -0.58 | 1.6 | 5954.80 | 5131.00 | -0.9 | 8.3 |
| S & P/ASX 200 (AUSTRALIA) | 5473.20 | -36 | -0.65 | 1.1 | 5982.70 | 5152.30 | -1 | 8.6 |
| DOW JONES CHINA 88 (CHINA) | 302.16 | -2.11 | -0.69 | 2 | 408.69 | 185.09 | 58.8 | 14.9 |
| SHANGHAI COMPOSITE (CHINA) | 3927.91 | -0.51 | -0.01 | 21.4 | 5166.35 | 2195.82 | 76.8 | 21.9 |
| HANG SENG (HONG KONG) | 24498.21 | -22.91 | -0.09 | 3.8 | 28442.75 | 22585.84 | -0.8 | 6.8 |
| S & P BSE SENSEX (INDIA) | 27866.09 | -235.63 | -0.84 | 1.3 | 29681.77 | 25880.77 | 7.7 | 16.6 |
| JAKARTA COMPOSITE (INDONESIA) | 4622.59 | -126.36 | -2.66 | -11.6 | 5523.29 | 4622.59 | -9.9 | 3.7 |
| NIKKEI 300 (JAPAN) | 342.17 | -1.03 | -0.3 | 20.3 | 343.20 | 238.07 | 34.7 | 31.1 |
| NIKKEI STOCK AVG (JAPAN) | 20720.75 | -87.94 | -0.42 | 18.7 | 20868.03 | 14532.51 | 36.7 | 32.6 |
| TOPIX INDEX (JAPAN) | 1687.60 | -3.69 | -0.22 | 19.9 | 1691.29 | 1177.22 | 34.2 | 31.2 |
| KUALA LUMPUR COMPOSITE (MALAYSIA) | 1636.71 | -17.66 | -1.07 | -7.1 | 1878.89 | 1636.71 | -11.5 | -0.2 |
| NZSX-50 (NEW ZEALAND) | 5822.35 | -42.67 | -0.73 | 4.6 | 5957.85 | 5054.70 | 15.2 | 17.6 |
| KSE 100 (PAKISTAN) | 36205.94 | 121.27 | 0.34 | 12.7 | 36228.88 | 27774.43 | 27.9 | 34.9 |
| PSEI (PHILIPPINES) | 7570.45 | 36.1 | 0.48 | 4.7 | 8127.48 | 6946.06 | 8.4 | 12.9 |
| STRAITS TIMES (SINGAPORE) | 3153.06 | -43.6 | -1.36 | -6.3 | 3539.95 | 3153.06 | -4.6 | 1.1 |
| KOSPI (SOUTH KOREA) | 1986.65 | -16.52 | -0.82 | 3.7 | 2173.41 | 1882.45 | -2.7 | 0.7 |
| COLOMBO STOCK EXCHANGE (SRI LANKA) | 7458.92 | 80.98 | 1.1 | 2.2 | 7605.79 | 6782.43 | 7.4 | 15.4 |
| WEIGHTED (TAIWAN) | 8394.14 | -72.7 | -0.86 | -9.8 | 9973.12 | 8394.14 | -8.4 | 4.1 |
| SET (THAILAND) | 1408.32 | -11.81 | -0.83 | -6 | 1615.89 | 1408.07 | -7.4 | 4.9 |
| EUROPE | | | | | | | | |
| STOXX EUROPE 600 (EUROPE) | 393.61 | -6.21 | -1.55 | 14.9 | 414.06 | 310.03 | 19.7 | 13.4 |
| STOXX EUROPE 50 (EUROPE) | 3405.05 | -57.33 | -1.66 | 13.4 | 3591.47 | 2781.33 | 16.5 | 10 |
| EURO STOXX 50 (EURO ZONE) | 3605.28 | -69.66 | -1.9 | 14.6 | 3828.78 | 2874.65 | 19.2 | 14.2 |
| EURO STOXX (EURO ZONE) | 371.13 | -6.74 | -1.78 | 16.1 | 392.35 | 288.41 | 21.7 | 15.6 |
| ATX (AUSTRIA) | 2468.47 | -28.54 | -1.14 | 14.3 | 2681.44 | 2032.13 | 9.9 | 6.4 |
| BEL-20 (BELGIUM) | 3750.84 | -58.13 | -1.53 | 14.2 | 3905.71 | 2887.73 | 22.1 | 17 |
| PX 50 (CZECH REPUBLIC) | 1037.40 | -0.42 | -0.04 | 9.6 | 1058.40 | 901.30 | 8.3 | 3.8 |
| OMX COPENHAGEN (DENMARK) | 888.10 | -4.26 | -0.48 | 31.5 | 923.55 | 611.68 | 35.9 | 25.9 |
| OMX HELSINKI (FINLAND) | 8595.05 | -124.21 | -1.42 | 10.8 | 9374.42 | 7010.83 | 16.3 | 16.6 |
| CAC 40 (FRANCE) | 5099.03 | -96.38 | -1.86 | 19.3 | 5268.91 | 3918.62 | 22.5 | 14.1 |
| DAX (GERMANY) | 11293.65 | -311.13 | -2.68 | 15.2 | 12374.73 | 8571.95 | 24.5 | 17.6 |
| BUX (HUNGARY) | 22282.40 | -261.45 | -1.16 | 34 | 22850.53 | 15686.69 | 30.4 | 7.7 |
| FTSE MIB (ITALY) | 23698.49 | -267.95 | -1.12 | 24.7 | 24031.19 | 18078.97 | 22.1 | 17.7 |
| AEX (NETHERLANDS) | 494.36 | -5.68 | -1.14 | 16.5 | 509.24 | 376.27 | 25.4 | 14 |
| ALL-SHARES (NORWAY) | 668.78 | -10.41 | -1.53 | 7.9 | 711.22 | 575.27 | 1.4 | 11.5 |
| WIG (POLAND) | 52934.34 | 2.95 | 0.01 | 3 | 57379.45 | 50058.56 | 5 | 8.1 |
| PSI 20 (PORTUGAL) | 5516.37 | -102.42 | -1.82 | 14.9 | 6324.88 | 4606.25 | 3.1 | 4.4 |
| RTS INDEX (RUSSIA) | 830.33 | -17.75 | -2.09 | 5 | 1275.60 | 629.15 | -30.7 | -16.5 |
| IBEX 35 (SPAIN) | 11152.30 | -159.4 | -1.41 | 8.5 | 11866.40 | 9669.70 | 8.9 | 16.5 |
| SX ALL SHARE (SWEDEN) | 532.43 | -6.05 | -1.12 | 12.4 | 564.90 | 405.51 | 22 | 16.9 |
| SWISS MARKET (SWITZERLAND) | 9424.41 | -86.37 | -0.91 | 4.9 | 9526.79 | 7899.59 | 13.1 | 13.3 |
| BIST 100 (TURKEY) | 79719.99 | 2224.7 | 2.87 | -7 | 91412.94 | 72943.50 | 2.4 | 7 |
| FTSE 100 (U.K.) | 6664.54 | -71.68 | -1.06 | 1.5 | 7104.00 | 6182.70 | 0.5 | 4.5 |
| FTSE 250 (U.K.) | 17666.96 | -93.92 | -0.53 | 9.8 | 18263.46 | 14426.74 | 14.2 | 15.5 |
| AMERICAS | | | | | | | | |
| DJ AMERICAS (AMERICAS) | 506.45 | -4.9 | -0.96 | -0.1 | 524.44 | 464.33 | 3.8 | 11.8 |
| MERVAL (ARGENTINA) | 11598.43 | -231.76 | -1.96 | 35.2 | 12593.07 | 7581.72 | 37.2 | 68.8 |
| SAO PAULO BOVESPA (BRAZIL) | 49072.34 | -280.66 | -0.57 | -1.9 | 61895.98 | 46907.68 | -13.1 | -6.1 |
| S & P/TSX COMP (CANADA) | 14414.67 | -51.72 | -0.36 | -1.5 | 15657.63 | 13705.14 | -5.6 | 6.6 |
| SANTIAGO IPSA (CHILE) | 3081.37 | -26.5 | -0.85 | -2.6 | 3377.92 | 3018.91 | -4.9 | -9.7 |
| IPC ALL-SHARE (MEXICO) | 44379.79 | -940.9 | -2.08 | 2.9 | 46357.24 | 40225.08 | -0.8 | 2.8 |
| CARACAS GENERAL (VENEZUELA) | 15426.38 | 202.72 | 1.33 | 299.8 | 15580.47 | 2143.39 | 619.7 | 291.9 |

SOURCE: WSJ MARKETS

### Global Indices

| NAME | LOCATION | LAST | NET.CHNG | PCT.CHNG | OPEN | HIGH | LOW | CLOSE |
|---|---|---|---|---|---|---|---|---|
| DJ INDU AVERAGE | NEW YORK | 17,402.84 | -212.33 | -1.21% | 17,593.59 | 17,593.59 | 17,352.63 | 17,615.17 |
| FTSE EUROTOP 100 | LONDON | 3,060.20 | -57.93 | -1.86% | 3,117.05 | 3,117.05 | 3,038.28 | 3,118.13 |
| XETRA DAX PF/D | FRANKFURT | 11,069.78 | -223.87 | -1.98% | 11,151.72 | 11,153.64 | 10,983.43 | 11,293.65 |
| CAC 40 INDEX/D | PARIS | 4,991.44 | -107.59 | -2.11% | 5,051.49 | 5,051.72 | 4,941.36 | 5,099.03 |
| FTSE MIB/D | MILAN | 23,243.63 | -454.86 | -1.92% | 23,530.52 | 23,533.01 | 23,072.03 | 23,698.49 |
| SMI PR/D | SWITZERLAND | 9,268.88 | -155.53 | -1.65% | 9,350.59 | 9,352.17 | 9,240.74 | 9,424.41 |
| HANG SENG INDE/D | HONG KONG | 23,916.02 | -582.19 | -2.38% | 24,269.11 | 24,324.19 | 23,826.96 | 24,498.21 |
| NIKKEI 225 INDEX | TOKYO | 20,392.77 | -327.98 | -1.58% | 20,632.68 | 20,703.20 | 20,303.02 | 20,720.75 |
| ALL ORDINARIES | AUSTRALIA | 5,383.55 | -89.56 | -1.64% | 5,473.10 | 5,479.00 | 5,367.80 | 5,473.11 |
| STRAITS TIMES/D | SINGAPORE | 3,946.05 | -109.56 | -2.70% | 3,995.22 | 3,996.78 | 3,941.06 | 4,055.61 |
| SSE COMPOSITE/D | SHANGHAI | 3,887.30 | -40.60 | -1.03% | 3,881.23 | 3,937.77 | 3,871.14 | 3,927.91 |
| S&P SENSEX/D | MUMBAI | 27,512.26 | -353.83 | -1.27% | 27,880.76 | 27,883.33 | 27,479.43 | 27,866.09 |

### FTSE 100

| NAME | LAST | CLOSE | NET.CHNG | PCT.CHNG |
|---|---|---|---|---|
| ANGLO AMERICAN/D | 765.20 | 774.80 | -9.40 | -1.21% |
| ASSOC.BR.FOODS/D | 3175.00 | 3211.00 | -36.00 | -1.12% |
| ADMIRAL GROUP/D | 1439.00 | 1458.00 | -19.00 | -1.30% |
| ABDN.ASSET.MAN/D | 343.80 | 344.10 | -0.30 | -0.09% |
| AGGREKO/D | 1088.00 | 1061.00 | 27.00 | 2.54% |
| ANTOFAGASTA/D | 570.00 | 572.00 | -2.00 | -0.35% |
| ARM HOLDINGS/D | 931.86 | 959.50 | -27.50 | -2.87% |
| ASHMORE/D | 253.00 | 259.50 | -6.50 | -2.50% |
| AVIVA PLC/D | 512.75 | 520.00 | -7.50 | -1.44% |
| ASTRAZENECA/D | 4313.50 | 4341.00 | -27.50 | -0.63% |
| BAE SYSTEMS/D | 462.80 | 467.50 | -4.70 | -1.01% |
| BARCLAYS/D | 274.25 | 278.35 | -4.10 | -1.47% |
| BRIT AM TOBACC/D | 3708.50 | 3774.00 | -65.50 | -1.74% |
| BG GROUP/D | 1100.50 | 1096.00 | 4.50 | 0.41% |
| BR LAND CO/D | 860.50 | 866.50 | -5.50 | -0.63% |
| BHP BILLITON/D | 1131.50 | 1148.50 | -17.00 | -1.48% |
| BUNZL/D | 1837.00 | 1845.00 | -8.00 | -0.43% |
| BP/D | 381.49 | 380.50 | 0.90 | 0.24% |
| BURBERRY GRP/D | 1499.00 | 1536.00 | -37.00 | -2.41% |
| BT GROUP/D | 466.50 | 465.40 | 1.10 | 0.24% |
| CARNIVAL/D | 3454.00 | 3480.00 | -26.00 | -0.75% |
| CENTRICA/D | 268.00 | 270.40 | -2.40 | -0.89% |
| COMPASS GROUP/D | 1020.00 | 1034.00 | -14.00 | -1.35% |
| CAPITA PLC/D | 1283.00 | 1288.00 | -5.00 | -0.39% |
| CRODA INTL/D | 3042.00 | 3077.00 | -35.00 | -1.14% |
| CRH/D | 1906.00 | 1951.00 | -45.00 | -2.31% |
| DIAGEO/D | 1788.00 | 1808.50 | -20.50 | -1.13% |
| MAN GROUP/D | 162.40 | 166.20 | -3.80 | -2.29% |
| EVRAZ PLC/D | 93.10 | 94.35 | -1.25 | -1.32% |
| EXPERIAN/D | 1154.00 | 1174.00 | -20.00 | -1.70% |
| FRESNILLO/D | 650.50 | 653.00 | -2.50 | -0.38% |
| G4S/D | 264.60 | 266.70 | -2.10 | -0.79% |
| GKN/D | 303.20 | 309.40 | -6.20 | -2.00% |
| GLENCORE/D | 181.00 | 191.00 | -10.00 | -5.24% |
| GLAXOSMITHKLIN/D | 1428.00 | 1437.50 | -9.50 | -0.66% |
| HAMMERSON/D | 672.50 | 678.50 | -6.00 | -0.88% |
| HARGREAVES LS/D | 1177.00 | 1193.00 | -16.00 | -1.34% |
| HSBC HOLDINGS/D | 567.60 | 577.40 | -9.80 | -1.70% |
| ICAP PLC/D | 471.30 | 501.50 | -30.20 | -6.02% |
| IAG/D | 533.50 | 549.50 | -16.00 | -2.91% |
| INTERCONT HOTE/D | 2509.00 | 2542.00 | -33.00 | -1.30% |
| IMI PLC/D | 1046.00 | 1060.00 | -14.00 | -1.32% |
| IMPERIAL TOBAC/D | 3282.00 | 3342.00 | -60.00 | -1.80% |
| INTERTEK GROUP/D | 2634.00 | 2667.00 | -33.00 | -1.24% |
| ITV/D | 255.67 | 258.40 | -2.70 | -1.04% |
| JOHNSON MATTHE/D | 2842.00 | 2880.00 | -38.00 | -1.32% |
| KAZ MINERALS/D | 151.30 | 151.90 | -0.60 | -0.39% |
| KINGFISHER/D | 368.60 | 374.00 | -5.40 | -1.44% |
| LAND SECS GROU/D | 1309.00 | 1318.00 | -9.00 | -0.68% |
| LEGAL & GENERA/D | 271.45 | 273.80 | -2.40 | -0.88% |
| LLOYDS BNK GRP/D | 80.56 | 81.08 | -0.52 | -0.64% |
| MEGGITT PLC/D | 501.50 | 506.50 | -5.00 | -0.99% |
| MARKS & SP./D | 537.00 | 546.50 | -9.50 | -1.74% |
| MORRISON SUPMK/D | 177.50 | 181.50 | -4.00 | -2.20% |
| NATIONAL GRID/D | 851.00 | 856.40 | -5.40 | -0.63% |
| NEXT/D | 7885.00 | 7910.00 | -25.00 | -0.32% |
| OLD MUTUAL/D | 220.90 | 224.90 | -4.00 | -1.78% |
| PETROFAC/D | 826.50 | 831.50 | -3.50 | -0.42% |
| POLYMETAL INT/D | 444.10 | 442.70 | 1.40 | 0.32% |
| PRUDENTIAL/D | 1558.50 | 1577.00 | -18.50 | -1.17% |
| PEARSON/D | 1169.00 | 1173.00 | -4.00 | -0.34% |
| RECKIT BNCSR G/D | 5958.00 | 6124.00 | -166.00 | -2.71% |
| ROYAL BANK SCO/D | 342.10 | 344.70 | -2.60 | -0.75% |
| RDS 'A'/D | 1871.00 | 1867.00 | 4.00 | 0.21% |
| RELX/D | 1076.00 | 1084.00 | -8.00 | -0.74% |
| ROYAL DTCH SHL/D | 1886.50 | 1878.50 | 8.00 | 0.43% |
| REXAM/D | 552.00 | 555.00 | -3.00 | -0.54% |
| RIO TINTO/D | 2548.50 | 2553.50 | -5.00 | -0.20% |
| ROLLS ROYCE PL/D | 799.84 | 798.00 | 2.00 | 0.25% |
| RANDGOLD RES./D | 4035.00 | 3952.00 | 83.00 | 2.10% |
| RSA INSRANCE G/D | 505.00 | 507.00 | -2.00 | -0.39% |
| SABMILLER/D | 3309.00 | 3361.00 | -52.00 | -1.55% |
| SAINSBURY(J)/D | 253.60 | 258.30 | -4.70 | -1.82% |
| SCHRODERS/D | 3038.00 | 3075.00 | -37.00 | -1.20% |
| SCHRODERS NV/D | 2325.80 | 2378.00 | -64.00 | -2.69% |
| SAGE GROUP/D | 516.00 | 522.00 | -6.00 | -1.15% |
| SHIRE/D | 5310.00 | 5360.00 | -50.00 | -0.93% |
| STANDARD LIFE/D | 439.40 | 443.70 | -4.30 | -0.97% |
| SMITHS GROUP/D | 1181.00 | 1191.00 | -10.00 | -0.84% |
| SMITH&NEPHEW/D | 1163.65 | 1178.00 | -14.00 | -1.19% |
| SERCO GROUP/D | 124.40 | 124.00 | 0.40 | 0.32% |
| SSE PLC/D | 1533.00 | 1548.00 | -15.00 | -0.97% |
| STANDRD CHART /D | 887.00 | 907.10 | -20.10 | -2.22% |
| SEVERN TRENT/D | 2167.00 | 2185.00 | -18.00 | -0.82% |
| TATE & LYLE/D | 539.00 | 541.00 | -2.00 | -0.37% |
| TULLOW OIL/D | 222.00 | 219.80 | 2.20 | 1.00% |
| TESCO/D | 204.95 | 209.55 | -4.60 | -2.20% |
| UNILEVER/D | 2803.00 | 2912.00 | -109.00 | -3.74% |
| UNITED UTIL GR/D | 878.00 | 884.00 | -5.50 | -0.62% |
| VEDANTA RES/D | 438.30 | 454.00 | -15.70 | -3.46% |
| VODAFONE GROUP/D | 239.05 | 241.30 | -2.25 | -0.93% |
| WEIR GROUP/D | 1504.00 | 1515.00 | -11.00 | -0.73% |
| WOLSELEY/D | 4212.00 | 4285.00 | -73.00 | -1.70% |
| WPP PLC/D | 1423.00 | 1430.00 | -7.00 | -0.49% |
| WHITBREAD/D | 5145.00 | 5225.00 | -80.00 | -1.53% |
| KENYA AIRWAYS/D | 6.10 | 6.00 | 0.10 | 1.67% |

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**EXCELLENCE** Well-conducted studies can revolutionise a nation or industry by infusing knowledge into practical scenarios

# Research framework will save you from re-inventing the wheel

BUSINESS TALK
**SCOTT BELLOWS**

While working in banking, Kiriri noticed various trends among the managers around him. Inasmuch, he formed opinions about his observations. He decided to turn his observations into a PhD. His main question revolved around whether polite behaviour by bank managers to employees resulted in better performance by tellers.

Kiriri proceeded to pull literature reviews on bank performance. He included many ratios on profitability margins, liquidity ratios and executive compensation. His literature review highlighted the banking-centric literature. He enjoyed reading all the material he found interesting in the financial services sector.

However, when he submitted his doctoral dissertation at Durham University in the UK, he failed his viva examination. Instead of research, he had unwittingly cropped together a fascinating journalist exposé on salient current events in the banking industry. He unfortunately did not understand the basis for rigourous research.

Many would-be researchers look at the world around them and try to answer the questions that they ponder. Unfortunately, casual researchers who do not receive adequate instruction approach investigations without knowing how to pose a research framework. Often universities teach research methods courses that tell you how many pages to write, length of margins and how to quote sources; but not how to set up logical research frameworks.

Do not pose simple yes or no questions seeking answers. You desire the degree to which something impacts something else. Basic examples include, how much radiation exposure leads to which forms of cancer? Or how much does an employee's perceived organisation support impact on his or her job satisfaction?

Essentially, throughout the world, something leads to something else, which leads to something else. We live in a universe of causes and effects. You may generically think of causes as independent variables and the effects as the dependent variables.

You must design your research framework into effects and what causes those effects. Thankfully, hundreds of thousands of authors have already explored thousands of topics, theories, causes and effects. In fact, researchers have pondered Kiriri's question for more than 50 years.

So if you desire to understand causes and effects that will help you in your job or industry, then proceed to an academic search. Google different broad theories in your field, such as entrepreneurship theories, finance theories, zoology theories, among others. Read the different lines of thought.

> **You must design your research framework into effects and what causes those effects**

Once you find something of interest among the existing ideas, then go on to a search in a credible research database. Google Scholar provides searches for free, but not found as comprehensive as other databases.

If you have access through your university or workplace, utilise Web of Science (also known as Web of Knowledge), FirstSearch, Science Direct, EBSCO, Westlaw, Wiley, or JSTOR. These are repositories that store articles from top journals.

Never use a book as your main reference point. Books become outdated quickly. Only journal articles from top tier publications get to examine research with rigour. If your college or research-oriented workplace does not provide you access to such databases, then you do not attend a credible tertiary institution or work in a serious research organisation.

If Kiriri had investigated different lines of research from others before him, he would have discovered a theory called organisation citizenship behaviour. Polite behaviour in his question is deemed in research as benevolence. Managerial benevolence towards subordinate staff causes the employees to trust in their organisation. More than 100 studies confirm the relationship between benevolence and trust. Kiriri blindly confirming what others have solidified since 1995 does not count as research.

**Research is only useful if it can be replicated, retested, applied and yield practical results.** FILE

What would make the research exciting is if Kiriri tested it in a country never studied before or altered the previous proven frameworks into a new twist that modifies prior thinking. The industry with which the research takes place is usually not relevant. A polite manager in banking or government or a scientific firm would all lead to greater organisational trust among employees.

Then, researchers know through another more than 50 studies that higher levels of organisational trust lead to something called organisational citizenship behaviour. This encompasses employees acting as good company citizens, from doing work on time, to assisting new employees and giving advice to coworkers.

Research knows multiple causes that lead to the effect of organisational citizenship behaviour. Organisational trust exists as one of the causes or independent variables. So Kiriri should pose a three stage research framework where managerial benevolence towards employees acts as an independent variable that causes organisational trust as a moderating variable that causes organisational citizenship behaviour as the dependent variable.

Setting up research frameworks in such a way can revolutionise a nation or industry by infusing what is already known in scientific research into practical scenarios. Research is not useful if it cannot be replicated, retested, applied and yield practical results.

If you approach research using the above simple guidelines you can, quite literally, change the world.

Submit your research successes, challenges, and ideas with other *Business Daily* readers as we continue *Business Talk's* research series through #KenyaResearch on Twitter.

**Professor Scott** *serves as the director of the New Economy Venture Accelerator (NEVA) at USIU's Chandaria School of Business, www.ScottProfessor.com, and may be reached on: info@scottprofessor.com or follow on Twitter: @ScottProfessor.*

**In next week's edition of Business Talk, we explore "Qualitative versus Quantitative Research". Read current and prior Business Talk articles on the Business Daily website and www.usiu.ac.ke/blog/businessdaily.**

**SUCCESS** For entrepreneurs, a business team that works cohesively provides a competitive advantage

# How to build and motivate a winning team

In every business – large or small, public or private, mom-and-pop or corporate titan – there is one critical and consistent point that significantly impacts success: the quality of the business team.

The question is whether or not its members are motivated to function as a "competitive advantage" or are just "doing the work."

In today's challenging marketplace, entrepreneurs must look for and use every competitive advantage they can. In many cases, their teams don't get the attention they deserve. But they should, because a basic fact of business is that your team is your primary point of contact with customers.

If your team performs badly, your customers vote with their feet and go elsewhere. And, if this continues, eventually you lose your business. Conversely, if your team performs well, your customers will come back, will buy more often and will likely refer others to you. The result is, your business grows and prospers. This is an illustration of how your team can give you a "competitive advantage."

But having that competitive advantage won't happen by accident or the flip of a switch. It's a process that takes time and needs to be organised around a plan.

Here's a 10-point checklist to get you started on building and motivating a winning team.

**The right employees will help you navigate a highly competitive market.** FILE

**1. Your goal**

Make sure that there is a common, specific and measurable goal, or goals, everyone is working toward. This mission should be directly related to and supportive of your vision for the business.

**2. Everyone's roles**

Every one of your team members should understand his or her individual role and those of others in the department, and maybe the company overall. No one should ever say, "I really don't know what they do."

**3. Clear communication**

You should communicate in the clearest means possible the "rules of the game" as they relate to how you want your business to operate. The rules should set boundaries where these are needed. There should , however, still be enough flexibility for your team members to make decisions on their own.

**4. Understanding of tasks**

All team members should know what they're supposed to do, how they are supposed to do it and when and why they should do it – plus how "it" fits in. When a team knows this information, members have a clear purpose and stay motivated and engaged.

**5. Risk-taking**

Encourage risk-taking within the boundaries you set. Nobody likes mistakes, but they are an excellent learning tool. No organisation will move forward without taking prudent risks.

**6. Full involvement**

Encourage 100 per cent involvement in the work to be done. Encourage team members to ask questions, share information and identify ways to do the work better. Solicit their feedback on how things are going. Involve them to the greatest extent that's practical in all decisions impacting how they do their jobs.

**7. Consistent communication**

Communicate consistently to your team members to keep them informed and included in all company matters. When this happens, your team is "in the know," and this helps them stay engaged and focused. I like to compare communication to the oil in an engine. The oil keeps all the parts working well together and reduces friction.

**8. New skills learning**

Commit yourself to providing your team members with every appropriate opportunity to maintain their skills and learn new ones, to help them and the organisation continue to meet the needs of your customers, and grow.

**9. Consistent quality**

You should consistently make it clear that team members' primary focus must be on offering customers consistent "quality" and hassle-free transactions (service) regardless of the product or service you offer.

**10. No regrets**

Never encourage team members to "look back." As the leader, you need to keep their focus on the present, and on where you want to take your organisation, as reflected in your vision.

**- ENTREPRENEUR**

# Effective strategies for managing time in a busy office

Got a minute? No, you say? You need not be a superhero to effectively manage your time at the office. You just need some simple solutions that will allow you to maximise your efficiency.

Here are eight weird but effective strategies for managing your time even when you work in a busy office with lots of people who are magnetised to you like moths to light.

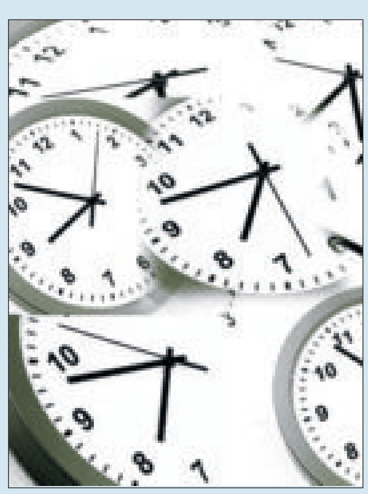
**Stand up:** If someone comes into my office while I'm feverishly trying to get work done, I stand up. I will absolutely engage in conversation, but it's going to be a short one. When you go from sitting to standing, it sends a message that you are on a schedule. When the other party receives the message, they keep their questions, comments or idea sharing short.

**Don't have chairs:** I will admit, I don't practice this, but I have a business associate who does and he swears by it. He has no guest chairs in his office. He says that the problem with chairs is that people come and sit in them and they chat. No chairs, no chat.

**Share lunch:** Sometimes your co-workers, employees and staff just want to get to know you. That's why if I am in the office working during lunch, I'll have lunch with them so that get the opportunity to chat about fun stuff without losing valuable work time.

**Set parameters:** If I am busy working in the office and someone asks me if I've got a minute, I'll tell them yes and I'll tell them how many minutes I've got.

"Sure, I've got about five minutes but then I need to get back to this project."



**You can learn to be efficient without shutting out people.** FILE

At about the five-minute mark, I will start looking at the clock to signal that their time is nearly over. If I can't answer the question or offer the needed assistance in that time, I'll ask if we can schedule a longer meeting later in the day.

**Know when to take calls:** This seems like a no-brainer. I never take an unsolicited call from a number that I don't recognise, ever. People can leave messages and I will choose to call back if I am interested. If I am unsure as to whether I'm interested in taking the call, I will likely have an assistant call the person back to get more information with regards to the nature of the call.

It's important to note here that an unwanted call can also come in handy at times. If you have someone taking up too much time and you are lucky enough to get an unexpected call during that time, take the call while saying to your guest, "I'll reach out to you later, I need to take this call."

**Keep a power hour:** There are times when I simply cannot be disturbed. In those instances, I'll do what every good hotel allows you to do when you want quiet time and hang a "Do Not Disturb" sign on the door. I have found it even more effective to make sure that I explain why on the sign, otherwise you will still get people who cross the line.

For example, my sign might read, "Do Not Disturb – Webinar in Process." The sign coupled with the reason for it has been most effective.

**Scrap the glass door:** A glass door is like working in a fish tank and even when the door is shut, people wave you down and make bizarre hand gestures while trying to determine if you can talk. Get rid of the glass door in favour of one that offers full privacy for those times when you need to be super efficient.

**- ENTREPRENEUR**

**LESSONS** Connect with buyers and make it simple to make a purchase

# What Jadudi's Sh6m fundraiser teaches about successful selling

SALES PITCH

**JOHN KAGECHE**

Why did we buy Jadudi's sale? For those coming in late, Emmanuel Jadudi is a Third Year university student who appealed for funds to remove a recurring cancerous brain tumour. He sent his appeal via Instagram to *Saturday Nation* columnist Jackson Biko, who, via his award-winning blog, reached out to Kenyans who raised a staggering Sh6 million in little less than 48 hours. The target was Sh 1 million.

Why did we buy? On the surface, it's easy to say the blog has a fanatic following and so we bought Biko and not Jadudi. I disagree.

What if it the sale wasn't on an award-winning blog? What if it wasn't a Kenyans for Kenya initiative after the Westgate Mall terror attack – that raised Sh30 million in 24 hours? Would we have bought with the same intensity?

If you think no, think again. *Sunday Nation* columnist Gerry Loughran early this year wrote of 67-year-old Alan Barnes in the UK, who had his collar bone fractured during a mugging. On reading his story, 21-year-old Katie Cutler, a beautician, set up an online donations page to raise £500 (Sh80,000) to "buy a few comforts for Alan." She raised a whopping £312,000 (about Sh50 million) in seven days. She hadn't even ever met Alan.

Alan wasn't even asking for help. And yet donations came from Canada, Holland, Britain, America, Saudi Arabia and many other parts of the world. Practical help also came from plumbers, electricians and other *fundis*.

Several schools started fundraisers to support the cause. Katie wasn't an award-winning beautician nor was the salon she worked in a Goliath player, like the Red Cross or Safaricom. She was "Wanjiku", a commoner.

Why did the world buy so passionately?

We bought because we connected with and believed in the product (we were moved by the story), the marketing oozed genuineness and spread like a virus, and the payment process was made easy.

Being moved does not only mean driven to tears. Guilt (I don't want to be seen as a bad person so let me give) and peer influence (If Jones is giving I am too) could drive us to buy.

**Sellers should help buyers connect with a product, and make it easy to purchase.** FILE

The marketing was free or frills. It was real and not a reality show. It was human. And the payment process: "Just check your M-Pesa balance. You have 204 bob? Send it. You have a loose 4K that you will burn by end of today? Send it. You have 130 bob? M-Pesa it. It will mean a lot." How much simpler can payment get?

A genuine desire to help shines through the seller and is what keeps the buyer's attention. That's why buyers say things like, "He was so confident"; "I liked him"; "He was so nice and helpful".

When a buyer connects with a product or service the chances of a purchase increase drastically. Unfortunately, few sellers have products designed with the buyer in mind and few differentiate themselves from the army of other sellers; they don't stand out. And though the smiling fuel station attendants may stand out with a genuine desire to help and have the fuel I need, the fact that they don't take Visa cards will see me avoid them.

Making it simple for the buyer to buy is critical to the success of a sale.

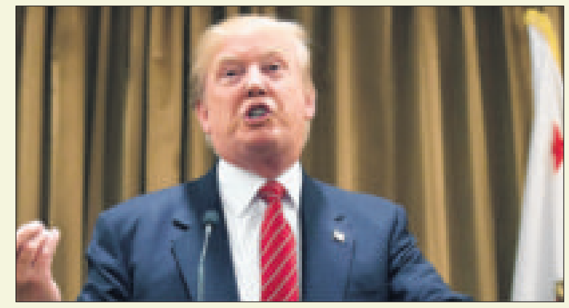
The decision to buy is many times fleeting and emotional, which if not immediately acted upon, will vanish. Imagine if the appeal was, "Deposit any amount to account number xxx?" I doubt the fundraiser would have been as successful.

Paradoxically, these sales feats are not replicated with every attempt. If they did the term donor fatigue wouldn't exist. Which means that, even your award winning product or service must continue to remain relevant to the buyer's need to thrive.

*Sales Pitch* wishes Jadudi and his family divine strength in this difficult time.

**Kageche** *is lead facilitator, Lend Me Your Ears; a sales training and development firm. Email:lendmeyourears@consultant.com*

## Bottom Line



**US presidential hopeful Donald Trump.** AFP

## Communication lessons from Trump's campaign

Everyone knows who Donald Trump is. But how has he managed to slingshot himself to the forefront of everyone's minds? As controversial and polarising as Donald Trump might be, he's doing something right in getting his message to the public. So what are the trump cards of his communication strategy?

**Differentiate yourself from the competition.**

Trump's strategy for securing the Republican nomination centres on setting himself apart from the rest of the GOP candidates. Trump has ruffled feathers by boldly calling this nation's political leadership "incompetent leaders" and "horrible people," and he's embattled in an ongoing feud with Senator Lindsey Graham, even giving out Graham's personal phone number. By distancing himself from the political establishment, Trump is gaining street cred with disgruntled GOP voters.

The *Huffington Post* rebuked Trump's campaign, stating its coverage of Trump's political affairs would reside strictly in the entertainment section of its website.

Entrepreneurs, ensure you're standing out from the crowd but not so much that the industry – or, worse, the customer – doesn't take you seriously. Try to strike a healthy balance: Be edgy, not outrageous.

**Seek opportunities for publicity.**

Although many of Trump's comments have been met with derision, they have landed him on more than one news programme. By attracting the Press, he validates his campaign and ensures his name is at the forefront of people's minds.

On the other hand, he's not on these shows because of the strength of his proposed policies. Often, Trump's Press appearances follow his racist or inflammatory remarks.

When given the chance to promote your business, take a look at why you're being spotlighted. Is it because of the good work your company is doing, or is it because you said something you shouldn't have? Not all press is good press.

**Create an indisputable reputation.**

Any successful communications strategy has a well-defined purpose. It's not necessarily clear that Trump's purpose is to win the presidency. Rather, it might be to build his existing persona as a reality TV star and business magnate. Trump is worth billions of dollars and starred in NBC's *Celebrity Apprentice* for 14 seasons. He is a salesman, and although it might be unclear what he's selling, it's definitely a Trump product.

And this salesmanship makes humility difficult to achieve in a business environment where the phrase "CEO humility" is on the rise.

Considering Trump's combative personality, great personal wealth and high ambitions, it's easy to see why he is making enemies. He's a threat to Republican candidates because he's drawing attention away from their campaigns, and he's a threat to businesspeople because he's successful and prominent in his industry. The question remains whether he can be successful without any friends in the business.

**- ENTREPRENEUR**

# Branding strategies to help you stay relevant in market

When it comes to branding, there's no easy recipe for success. Branding is an imperfect science that boils down to constant change – based on where you are, where you want to be and, most importantly, what the market is doing.

Just look at Nike. The athletic apparel giant has been able to succeed for generations because it's constantly changing to meet market needs. When the company started in 1964, most people couldn't have even dreamed of the Internet. And Michael Jordan was a toddler. But, as the years passed, Nike geared up to compete.

Imagine the outcome had Nike drawn its signature "swoosh," then sat back and said, "We're good for this generation." The swoosh would be dead and buried at this point.

So, the lesson is clear: If you want your brand to last more than a few months, you should emulate Nike. At the core of this essential strategy is communication. Branding, after all, is a feeling that founders convey to staff, and the staff conveys to consumers.

And the key ingredient in this recipe? Consistent communication.

So, while there isn't a single recipe for brand success, communication is what will help you create and sustain your company's image. Here are five tips:

**Discover your story.**

Once you find your story, tell it repeatedly, in a unique voice through different mediums. Nike has been doing this since the 1970s. Its swoosh logo hasn't changed, nor has its signature "Just Do It" slogan, but the brand is constantly adjusting its messaging to stay relevant. Even Nike subbrands have their own Facebook pages, to run specific promotions.

**Get the scoop on your customers.**

Find out what your current and potential customers think of you, and use that as a launching pad. You'll need to have a brand that retains current customers and attracts ideal customers. Thanks to the amount of data available today, you can quickly discover the latest trends about your brand and its allies.

Pepsi, for example, has changed its logo, and even its name, over the years, but the soft drink company has remained relevant by catering to customers. During the Great Depression, Pepsi branded itself as the cheaper, tastier version of Coca-Cola.

**Shout your message from the rooftops.**

Once you know how customers perceive your brand, you'll need to discover their preferred communication channels –whether that means YouTube, ads at transportation hubs or B2B publications. Use those channels to broadcast your brand. And don't forget about mobile.

**Counter your competitors.**

Analyse your rivals' weaknesses, and brand your business with a different value proposition. Some great ways to spy on your competitors include strategies as simple as reading local newspapers, trolling social media and visiting their websites or stores.

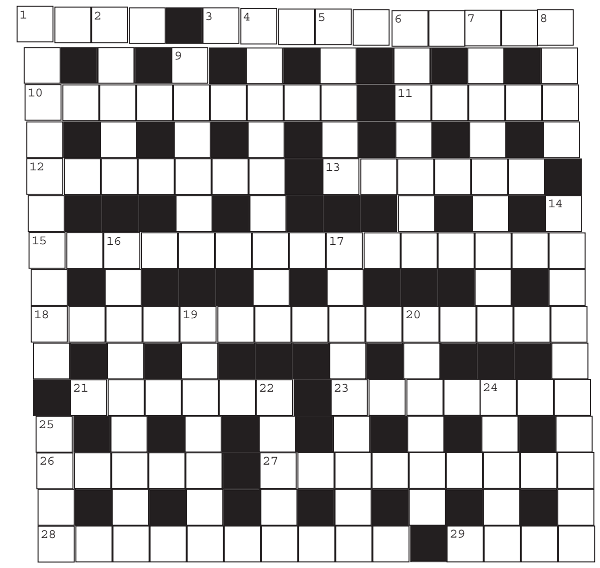
**Walk the walk.**

The most important component of successful communication is authenticity. Make sure your company culture and your intentions match your brand because when customers interact with your business, their expectations must be met. This holds true for ads, personal contacts and your social pages.

Even though there isn't a single recipe for successful branding, that doesn't mean you can't come up with the perfect concoction for your business. All you have to do is remain agile –constantly moving in line with market tastes and emerging channels.

**- ENTREPRENEUR**

## TIMES CROSSWORD 24,930



**Across**

1 Long time oddly spent in Cape Town (4)
3 Actor with the start of collywobbles during a rehearsal (10)
10 Fruit: taste before eating at home (9)
11 After end of spring-cleaning part of house is tidy (5)
12 Rags made from colourful teeshirts (3,4)
13 Ultimately humorist's trite cracks making you laugh (6)
15 Demanding substantial amount of money from former spouse? (4-11)
18 A pathologist etc working here? (7,8)
21 French writer has little time for America at first (6)
23 Figure there's time to tether horse (7)
26 Chase after higher diploma university introduced (5)
27 Trouble about female boarding just before take-off (9)
28 Rather rude show capturing the core of Rabelais (10)
29 Scheme works for the most part (4)

**Down**

1 Dessert wine that's no great shakes? (10)
2 Had looked grim when snubbed by father (5)
4 Barnet's decline shown in this clip (9)
5 Warning: group of distant relatives turning up! (5)
6 Alarm loudly going off? That used to be correct (7)
7 Chapter introducing Tolkien's assorted characters as stronglylinked (5-4)
8 What uses fuel up when covering miles? (4)
9 Improvement shown by class following course in religion (6)
14 Bomber to fly at speed round front of enemy lines (10)
16 Circulate and buy drinks for everyone (3,6)
17 Try lassoing wild rhino — most problematic (9)
19 Route passing through a neverending valley somewhere in W Sussex (7)
20 Consoles groups called for jury service (6)
22 Subject to choose for hearing (5)
24 Author has success in up-andcoming journal (5)
25 Far Eastern reporter's secure (4)

## SUDOKU PUZZLE 057

### How to play

Fill the grid so that every row, every column and every 3x3 box contains 1-9.
You solve the puzzle with reasoning and logic and not mathematical ability

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 4 | | 9 | | | | 7 | 2 | |
| | | 1 | | | 7 | | | |
| 2 | 7 | 6 | 3 | | | | | 1 |
| | 1 | 2 | | 3 | | 4 | | |
| 3 | | | | 4 | | | | 5 |
| | | 5 | | 1 | | 9 | 3 | |
| 7 | | | | | 2 | 5 | 6 | 4 |
| | | | 4 | | | 2 | | |
| | 2 | 4 | | | | 1 | | 8 |

## Pixie piper

### KFC launches coloured sandwiches in China

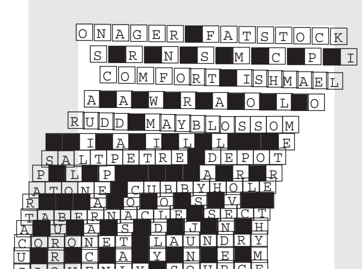
KFC in China is hoping to improve a recent sales slump with its new, eye-catching pink- and black-coloured sandwiches.

The fast-food restaurant chain just introduced the "Rose Cheese Chicken Leg Burger," featuring a cotton candy-pink bun, and the "Black Diamond Bacon Spicy Chicken Leg Burger," with a black bun.

KABC-TV in Los Angeles said KFC China is likely hoping to improve business with the promotion – sales have fallen 10 per cent in the last quarter.


Chinese news website The Nanfang said this isn't the first time KFC China has gone beyond the typical North American menu to cater to its clientele's unique palates. In the past, the restaurant has served rice congee and tortilla wraps, for example.

## TIMES 24,929



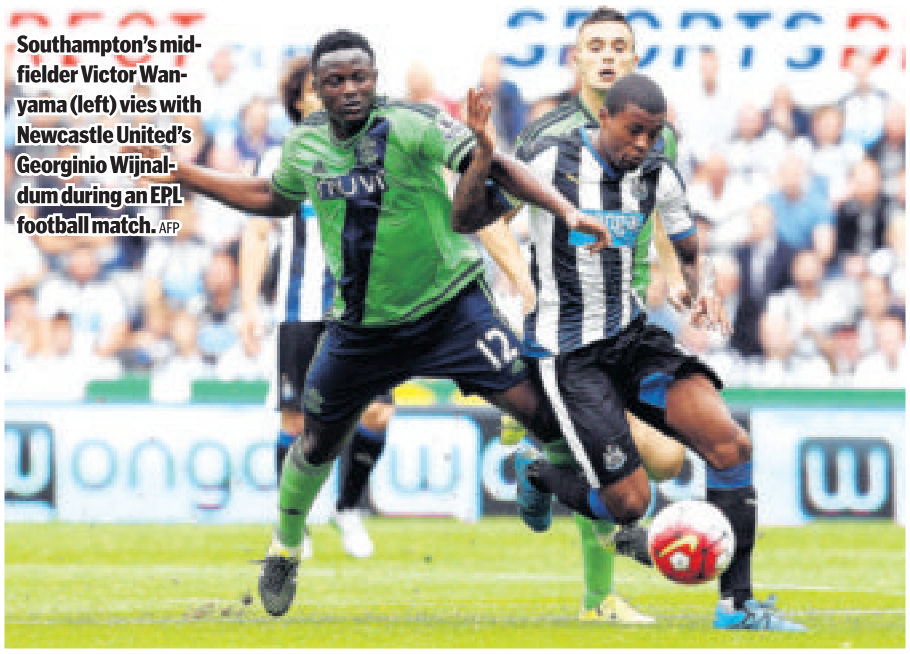
## SUDOKU 056

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2 | 3 | 6 | 8 | 5 | 9 | 4 | 7 | 1 |
| 4 | 7 | 8 | 2 | 6 | 1 | 9 | 5 | 3 |
| 5 | 9 | 1 | 7 | 3 | 4 | 8 | 6 | 2 |
| 1 | 6 | 4 | 3 | 9 | 7 | 2 | 8 | 5 |
| 8 | 5 | 9 | 1 | 2 | 6 | 3 | 4 | 7 |
| 3 | 2 | 7 | 5 | 4 | 8 | 6 | 1 | 9 |
| 7 | 8 | 2 | 4 | 1 | 3 | 5 | 9 | 6 |
| 9 | 4 | 3 | 6 | 7 | 5 | 1 | 2 | 8 |
| 6 | 1 | 5 | 9 | 8 | 2 | 7 | 3 | 4 |

# THE Business OF Sports

EPL Player was in the team that secured European football for the club last term

## Wanyama confident of Saints' improvement



Southampton's midfielder Victor Wanyama (left) vies with Newcastle United's Georginio Wijnaldum during an EPL football match. AFP

Southampton midfielder Victor Wanyama says his side can improve on last season's impressive seventh-spot Premier League finish, and is confident he will take another step forward personally.

The Kenyan, who joined the club in the summer of 2013, played an integral part in the team that secured European football for the club last term.

"I think last season I did well, the team also did well, so come this season I know our fans will demand even more, so we are ready to show what we can do, and personally also improve my game from last season," the 24-year-old was quoted as saying to the Daily Echo.

Wanyama admitted that the loss of midfield partner Morgan Schneiderlin to Manchester United is a big blow to the club, but feels the team have already shown they can overcome his absence.

"I know Morgan was good and also was key to our team, but now also we have to move on and I think we still have a great team and we have shown it (against Newcastle) that we can play without him," Wanyama said.

"I think me and him, we understood each other when he was here and it was easy for us to play together.

"But now he's not here, now I have to move on, I have to get on and play the same way I did last season, get used to also my teammates, playing without Morgan," he added.

Wanyama was upbeat about the arrival of Dutch international Jordy Clasie from Feyenoord, and hopes the new signing will offset the loss of Schneiderlin.

"I think he's a good player and I think the Premiership is different and he's learning quickly and I think he's a perfect fit for us," Wanyama said.

Having drawn 2-2 at Newcastle in their opener, Southampton host Everton for their first home match of the season on Saturday.

Meanwhile, The percentage of English players in top-flight starting line-ups fell below one third during the opening weekend of the Premier League, fuelling the FA's concerns about a lack of opportunities for home-grown youngsters, the Times reported.

Of the 220 players who started for Premier League clubs at the weekend, only 73, or 33.2 per cent, were eligible to play for England, the Times said.

The numbers represent a dip from last season's 35 per cent and a steep fall from 69 per cent in 1992-93, when the Premier League was launched.

The English top-flight already has the lowest proportion of players among Europe's leading leagues.

This season's opening day figures were inflated by newly promoted Bournemouth, who started eight English players against Aston Villa, the Times said.

But fellow new boys Watford, along with Arsenal and Newcastle United, started with just one Englishman.

Champions Chelsea started with two, but one of those was John Terry, who retired from international football three years ago.

Reece Oxford, the 16-year-old sensation who impressed on his debut with West Ham United, was one of just five English teenagers to start a Premier League game at the weekend. The others were Brendan Galloway for Everton, Joe Gomez and Jordan Ibe for Liverpool, and Matt Targett for Southampton.

Greg Dyke, the FA chairman, has already warned that English football is a "tanker that needs turning", but his efforts to tighten rules to improve prospects for home-grown players have met with resistance from Premier League clubs.

The majority of club managers and chairmen feel they should not have to consider nationality when building their teams and that English players are often too expensive.

Reuters reported last week that the Premier League chief executive was also more in favour of helping develop grass-roots football rather than "artificially" increasing quotas for English players in Premier League squads.

But with many of the English players who did feature already in their late twenties and thirties and therefore unlikely to be called up to the national team, the question of how to boost the numbers of young Englishmen in the top-flight is more pressing than ever before.

**- REUTERS**

## IAAF bans 28 athletes after world champs retests

The IAAF has initiated disciplinary action against 28 athletes after they retested samples from the 2005 and 2007 world championships with new technology that can uncover previously undetectable substances and found 32 adverse doping cases.

Eastern Europeans, including Russians, make up a large number of the 28, sources familiar with the testing told Reuters on Tuesday.

They were not aware of any Americans on the list and the BBC reported there were no British athletes. The world athletics governing body said it could not yet name the 28 or even their nationalities, "due to the legal process".

"A large majority of the 28 are retired, some are athletes who have already been sanctioned, and only very few remain active in sport," the International Association of Athletics Federations (IAAF) said.

"The IAAF is provisionally suspending them and can confirm that none of the athletes concerned will be competing (at the world championships) in Beijing." The 2015 world championships start on August 22.

The tests were the second for samples from the 2005 world championships in Helsinki.

The first, in 2012, revealed six adverse findings. Five of the six were medal winners, all representing either Belarus or Russia.

Two other athletes, an Indian discus thrower and Ukrainian hammer thrower, tested positive during the championships.

If violations are confirmed, the IAAF said it would correct the record books for the 2005 and 2007 world championships and re-allocate medals.

"The latest scientific breakthroughs in anti-doping technology and analysis have been employed in the re-analysis of these samples to allow us to find previously undetectable substances," said Martial Saugy, director of the Swiss Laboratory for Doping Analyses.

Since 2005, the IAAF has stored athletes' samples from previous championships at the laboratory for future re-analysis.

**- REUTERS**

## SPORTS BRIEFING

### No quick fix to racial make-up of S. Africa national rugby team

South Africans must be patient with the pace of transformation in the country's national rugby side and will not be asking for more black players at the World Cup, sports minister Fikile Mbalula said.

The debate over racial quotas and transformation in the Springbok team flared up again in the wake of Saturday's shock 37-25 home defeat to Argentina, with the country's biggest trade union wading into the argument.

Two black players, Zimbabwe-born prop Tendai Mtwarira and experienced wing Bryan Habana, were included in coach Heyneke Meyer's starting XV against The Pumas.

Flank Siya Kolisi, wing Lwazi Mvovo and prop Trevor Nyakane came off the bench.

Mbulula, a prolific user of Twitter, took to the social media platform to back the current set-up and suggest those frustrated cannot expect change "overnight".

"Full transformation in rugby is not going to emerge overnight because we are going to the World Cup," Mbalula said.

"I have (previously) addressed the transformation issues and I have gone a long way in doing so. We need a winning team that is black and white going to the World Cup."

Issues around the racial make-up of the South African side have risen prior to every World Cup they have competed in – starting with their victory on home soil in 1995 when wing Chester Williams was the only non-white member of the squad.

The influential Congress of South African Trade Unions has called on South Africa to pick a more "mixed" team for Saturday's test in Argentina.

### Bolt headlines Jamaica squad for world championships

Six-times Olympic gold medallist Usain Bolt headlines Jamaica's squad for the world athletics championships in Beijing later this month.

The world record holder over 100 and 200 metres is joined in the 53-member squad by Asafa Powell and Warren Weir, both world championships sprint relay gold medallists.

Bolt answered questions over his fitness with a 100m season's best of 9.87 seconds at the London Anniversary Games last month while Powell ran his fastest 100 in four years to win the sprint at the Paris Diamond League meeting in 9.81 seconds.

Rasheed Dwyer, who set a career best of 19.80 seconds over 200m at the Pan American Games, also makes the squad.


Jamaica's sprinter Usain Bolt. AFP

# 60 Seconds

Your minute of the day

Shinzo Abe Japanese Prime Minister, **page 9**

Joseph Kabila, DRC President **page 14**



## GLOBAL MARKET WATCH

| DJ INDU | FTSE 100 | XETRA | CAC 40 | FTSE MIB | SMI PR | HANG SENG | NIKKEI 225 | ALL ORD. | STRAITS | S&P SENSEX |
|---|---|---|---|---|---|---|---|---|---|---|
| 17,402.84 | 3,060.20 | 11,069.78 | 4,991.44 | 23,243.63 | 9,268.88 | 23,916.02 | 20,392.77 | 5,383.55 | 3,946.05 | 27,512.26 |
| -212.33 | -57.93 | -223.87 | -107.59 | -454.86 | -155.53 | -582.19 | -327.98 | -89.56 | -109.56 | -353.83 |

## CURRENCY RATES

| | | | |
|---|---|---|---|
| $: | 100.92 | USh | 35.13 |
| £: | 157.16 | TSh | 20.86 |
| €: | 111.75 | SAR | 7.86 |

## Market Activity

| | LAST | PREVIOUS |
|---|---|---|
| MARKET CAP IN SH BN | 2,165.15 | 2,169.38 |
| TOTAL SHARES TRADED | 11,643,900 | 27,734,000 |
| EQUITY TURNOVER IN SH | 246,537,199 | 978,543,487 |
| BONDS TURNOVER | 291,150,000 | 50,950,000 |
| TOTAL DEALS (BONDS) | 10 | 6 |
| TOTAL DEALS (EQUITY) | 1,564 | 1,638 |
| NSE 20 SHARE INDEX | 4,499.06 | 4,519.63 |
| NSE ALL SHARE INDEX | 154.61 | 154.91 |
| FTSE NSE KENYA 15 INDEX | 201 | 201.27 |
| FTSE NSE KENYA 25 INDEX | 200.37 | 200.45 |
| FTSE NSE KENYA BOND INDEX | 91.58 | 91.58 |
| FTSE ASEA PAN AFRICAN INDEX | 1,143.44 | 1,139.43 |

## Africa

### Ford to open Nigeria plant

Ford Motor Company will start assembling its best-selling Ford Ranger pickup truck in Nigeria by the fourth quarter, as it expands in Africa and the Middle East, the US automaker has said.

The Nigerian assembly plant, in partnership with Ford dealer Coscharis Motors Limited, is the first outside South Africa, where Ford produces the Ranger for 148 markets.

"Nigeria is a priority market for us in sub-Saharan Africa," said Jeff Nemeth, the president and CEO of Ford Motor Company's business in sub-Saharan Africa. "Depending on how Nigeria develops over time... we are potentially looking at using our Nigerian plant to service West Africa," he told Reuters.

### Exiled Bozize to run at poll

The former president of Central African Republic, Francois Bozize, will return from exile to contest a presidential election in October two years after he was forced from power, the leader of his Kwa Na Kwa political party has said. His return would be complicated because the government that succeeded him issued an international warrant for his arrest in 2013, accusing him of crimes against humanity and incitement to genocide. Thousands of fighters from a rebel coalition called the Seleka toppled him in March 2013 after 10 years in power.

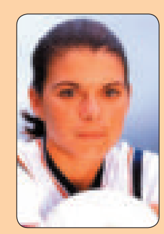
### Angola to destroy 11m eggs

Angola will destroy 11 million eggs imported illegally into the country, the Agriculture minister has said. The chicken eggs were brought in without an official health certificate, Afonso Pedro Canga is quoted by the state news agency as saying. He did not say from where the eggs, seized at the port in the capital Luanda, had been imported. Angola's government said in January that it wanted to boost consumption of domestically produced food and drink.

### Court frees Rwanda spy chief

A British court has freed Rwanda's intelligence chief Karenzi Karake, who is wanted in Spain over alleged war crimes in the aftermath of the 1994 genocide, after being advised that an extradition offence could not be established in British law. British police arrested General Karake, 54, at London's Heathrow Airport on June 22. Karake was a commander in the Rwandan Patriotic Front, the rebel force that took power in 1994 to halt the slaughter of 800,000 Tutsis.

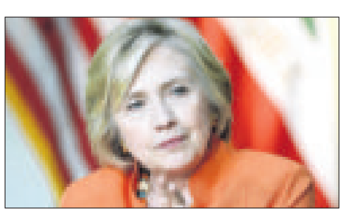
## SHE SAID



**Success breeds success.**

*-Mariel Margaret "Mia" Hamm Soccer Player*

## World



### FBI to take Hillary email server

Hillary Clinton has agreed to hand over to the FBI the private email server that she used as Secretary of State. Her use of private email has generated a barrage of criticism as Mrs Clinton runs for president. Critics say that her set-up was unsecure, contrary to government policy and designed to shield her communications from oversight.

The FBI is investigating whether classified information was improperly sent via the server and stored there. Mrs Clinton initially handed over thousands of pages of emails to the state department, but not the server.

### Myanmar hit by floods

Myanmar was evacuating parts of a city yesterday after mudslides wiped away hundreds of houses and torrential rain threatened further damage in the worst floods to hit the country in decades.

The government in Hakha, the capital of impoverished Chin state , was moving nearly 4,000 people to safety after landslides caused by rains destroyed 375 houses, Chin Finance minister Nan Zamon told Reuters. At least 103 people have been killed and more than one million "critically affected" by the flooding.

### Italian navy rescues migrants

The Italian navy rescued a boat carrying migrants off the coast of Libya on Tuesday and Italian reports said survivors spoke of as many as 50 others who had been on board but were feared missing. The navy said on Twitter one of its ships, the Fenice, had rescued migrants from an inflatable rubber boat but gave no details or numbers. It said they had been transferred to a coast guard patrol boat.

### 26 missing in China landslide

At least 26 people remain missing after a landslide in China's northwest Shaanxi province, say local authorities. About 1 million cubic metres of mud buried dormitories and homes owned by the Shaanxi Wuzhou Mining Company in Shanyang county early yesterday.

Officials said 14 people had been rescued, the operations had been greatly hampered by heavy rain. China has seen severe weather during the current monsoon season. The powerful Typhoon Soudelor hit southern China over the weekend bringing strong winds and rain. Fifteen dormitories and three residential buildings were buried, trapping at least 40 people initially.



## Environment NEWS

### Plant eats bee-killing Asian

Bee-killing Asian hornets spreading across Europe now face a natural enemy that lures them to destruction — a carnivorous North American plant, French experts say. The head of a botanical garden in Nantes, western France, says the pitcher plant Sarracenia devours Asian hornets - but not European hornets. Nor does it eat bees or wasps.

### Spill turns Colorado river yellow

A toxic leak of wastewater that has turned a Colorado river mustard yellow is three times larger than US officials had originally estimated. The Environmental Protection Agency (EPA) now says that three million gallons of wastewater spilled from an abandoned mine last week. EPA does not believe wildlife is in danger because the sludge moved quickly downstream.

### Survey sets figure on fading cosmos

A team of astronomers has published a multi-coloured survey of five chunks of space and offered the best estimate yet of how fast the Universe is fading. This agrees with previous calculations, confirming that the lights are slowly going out right across this spectrum.

The drop is largely due to the falling rate at which new stars are formed.

## WEATHER

**High 25°C** (78°F) **Low 14°C** (56°F)

**Nairobi: 3-day forecast**

| | | High | Low |
|---|---|---|---|
| Thu | Mostly Sunny | 23°C | 14°C |
| Fri | Mostly Sunny | 25°C | 15°C |
| Sat | Mostly Sunny | 25°C | 14°C |

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